



友芝友生物製藥

武漢友芝友生物製藥股份有限公司
WUHAN YZY BIOPHARMA CO., LTD.

(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code: 2496

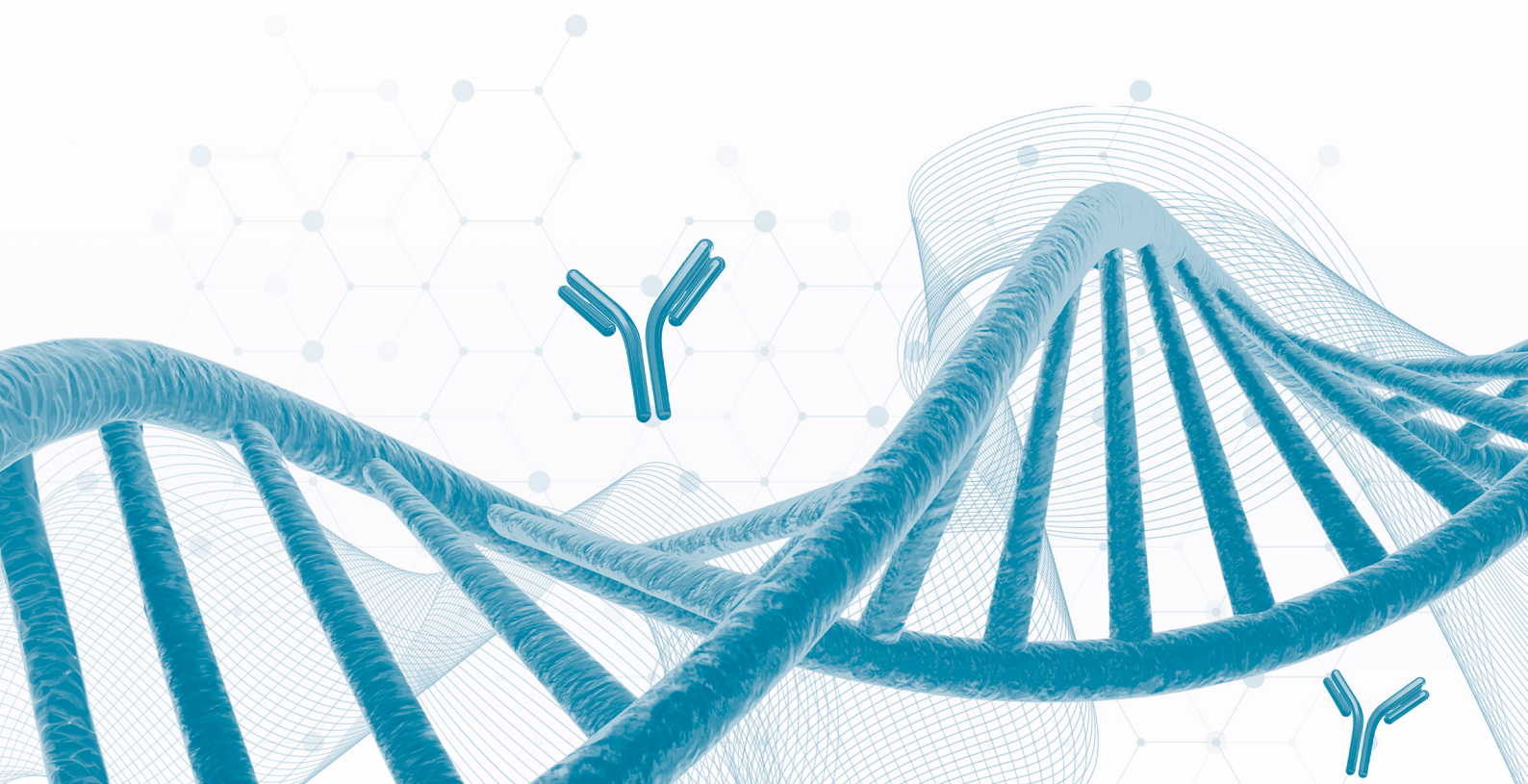


2025

INTERIM REPORT

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DEFINITIONS

In this interim report, unless the context otherwise requires, the following terms have the following meanings. These terms and their definitions may not correspond to any industry standard definition and may not be directly comparable to similarly titled terms adopted by other companies operating in the same industries as the Company.

"Audit Committee"	the audit committee of the Board
"Board"	the board of directors of the Company
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"China" or the "PRC"	the People's Republic of China, but for the purpose of this interim report and for geographical reference only, references herein to "China" and the "PRC" do not apply to Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Company," "our Company," or "the Company"	Wuhan YZY Biopharma Co., Ltd. (武漢友芝友生物製藥股份有限公司), a joint stock company established in the PRC with limited liability on January 13, 2022, or, where the context requires (as the case may be), its predecessor, Wuhan YZY Biopharma Limited Company (武漢友芝友生物製藥有限公司), a limited liability company established in the PRC on July 8, 2010
"Corresponding Period"	for the six months ended June 30, 2024
"Director(s)"	the director(s) of our Company
"Domestic Share(s)"	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is/are subscribed for and paid up in Renminbi and are unlisted Shares which are currently not listed or traded on any stock exchange
"Global Offering"	the offer of Shares for subscription as described in the prospectus of the Company dated September 13, 2023
"Group," "our Group," "we," "us," or "our"	our Company and its subsidiaries (or the Company and any one or more of its subsidiaries, as the content may require), or where the context so requires, in respect of the periods before the Company became the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of the Company at the relevant time
"H Share(s)"	ordinary share(s) in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, which are to be subscribed for and traded in Hong Kong dollars
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Huiyou Jucai"	Nanjing Huiyou Jucai Enterprise Management Partnership (Limited Partnership) (南京匯友聚才企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on August 26, 2021 and one of our employee incentive platforms

DEFINITIONS

"Huiyou Juzhi"	Nanjing Huiyou Juzhi Enterprise Management Partnership (Limited Partnership) (南京匯友聚智企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on August 27, 2021 and one of our employee incentive platforms
"Listing"	the listing of the H Shares on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"Option(s)"	option(s) granted to a Grantee to subscribe for H Shares pursuant to the terms of the 2024 H Share Option Plan
"Reporting Period"	for the six months ended June 30, 2025
"RMB" or "Renminbi"	the lawful currency of the PRC
"R&D"	research and development
"Share(s)"	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, comprising the Unlisted Shares and H Shares
"Shareholder(s)"	shareholder(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supervisor(s)"	member(s) of the supervisory committee of the Company
"treasury shares"	the meaning as defined under the Listing Rules
"Unlisted Foreign Share(s)"	ordinary share(s) issued by the Company with a nominal value of RMB1.00 each which is/are held by foreign investors and not listed on any stock exchange
"Unlisted Shares"	Domestic Shares and Unlisted Foreign Shares
"Wuhan Caizhi"	Wuhan Caizhi Investment Management Partnership (Limited Partnership) (武漢才智投資管理合夥企業(有限合夥)), a limited partnership established in the PRC on September 21, 2015 and one of our employee incentive platforms
"%"	per cent

In this interim report, unless otherwise indicated, the terms "affiliate", "associate", "associated corporation", "connected person", "controlling shareholder", "subsidiary" and "substantial Shareholder" shall have the meanings given to such terms in the Listing Rules.

CORPORATE INFORMATION

BOARD

Executive Directors

Dr. Zhou Pengfei (*Chairman of the Board and Chief Executive Officer*)
Mr. Wen Zhicheng (溫植成) (*redesignated as an executive Director with effect from June 25, 2025*)

Non-executive Directors

Dr. Yuan Qian (袁謙)
Dr. Zhou Hongfeng (周宏峰)
Mr. Pang Zhenhai (龐振海)
Dr. Hui Xiwu (惠希武)
Mr. Xie Shouwu (謝守武)
Ms. Liang Qian (梁倩) (*retired as a non-executive Director with effect from June 25, 2025*)

Independent Non-executive Directors

Dr. Cheng Bin (程斌)
Ms. Fu Lili (付黎黎)
Dr. Deng Yuezhen (鄧躍臻)
Dr. Chen Bin (陳斌)

SUPERVISORS

Mr. Wang Junming (王軍明) (*appointed as a Supervisor with effect from June 25, 2025*)
Ms. Liu Fang (劉芳)
Mr. Ji Changtao (紀昌濤)
Mr. Zhang Jing (張敬)
Ms. Xiao Ying (肖瑩)
Mr. Sun Jumin (孫聚民) (*retired as a Supervisor with effect from June 25, 2025*)

REGISTERED OFFICE, HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN CHINA

No. 666 Gaoxin Road
East Lake High Tech
Development Zone
Wuhan, Hubei Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG REGISTERED UNDER PART 16 OF THE COMPANIES ORDINANCE

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Lee Garden One
33 Hysan Avenue, Causeway Bay
Hong Kong

H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

JOINT COMPANY SECRETARIES

Mr. Zheng Jianhua (鄭建華)
Ms. Lai Janette Tin Yun (賴天恩) (*associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom*)

CORPORATE INFORMATION

AUTHORIZED REPRESENTATIVES

Dr. Zhou Pengfei
Dr. Zhou Hongfeng (周宏峰)

AUDIT COMMITTEE

Ms. Fu Lili (付黎黎) (*Chairwoman*)
Dr. Zhou Hongfeng (周宏峰)
Dr. Deng Yuezheng (鄧躍臻)

NOMINATION COMMITTEE

Dr. Zhou Pengfei (*Chairman*)
Dr. Cheng Bin (程斌)
Ms. Fu Lili (付黎黎)

REMUNERATION COMMITTEE

Dr. Cheng Bin (程斌) (*Chairman*)
Dr. Chen Bin (陳斌)
Dr. Yuan Qian (袁謙)

STOCK CODE

2496

PRINCIPAL BANKS

Bank of Communications Co., Ltd.
Wuhan Jiangnan Sub-branch
No. 488 Qingnian Road, Jiangnan District
Wuhan, Hubei Province
PRC

China CITIC Bank
Wuhan East Lake Sub-branch
No. 724-4 Luoyu Road
Hongshan District
Wuhan, Hubei Province
PRC

China Merchants Bank
Wuhan Jiefang Park Sub-branch
1/F, Hanfei Youth Town
No. 1338 Jiefang Avenue
Jiang'an District
Wuhan, Hubei Province
PRC

AUDITOR

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditor
35/F, One Pacific Place
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Hong Kong

LEGAL ADVISERS TO THE COMPANY

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Cooley HK
35/F, Two Exchange Square
8 Connaught Place
Central
Hong Kong

PRC laws
DACHENG LAW OFFICES LLP (WUHAN)
10-11/F, Zheshang Tower
No. 718 Jianshe Avenue
Jiang'an District
Wuhan, Hubei Province
PRC

COMPANY'S WEBSITE

www.yzybio.com

FINANCIAL SUMMARY

	Six months ended June 30,	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Revenue	37,187	–
Cost of revenue	(29,518)	–
Gross profit	7,669	–
Other income	7,684	4,786
Other gains and losses	471	2,201
Research and development expenses	(60,186)	(70,290)
Administrative expenses	(12,088)	(13,064)
Finance costs	(2,384)	(2,029)
Loss before tax	(58,834)	(78,396)
Income tax expense	–	–
Loss for the period	(58,834)	(78,396)

	As of June 30, 2025 RMB'000 (unaudited)	As of December 31, 2024 RMB'000 (audited)
Non-current assets	44,332	46,508
Current assets	195,295	221,335
Non-current liabilities	54,620	51,172
Current liabilities	212,452	186,136
Net (Liabilities) Assets	(27,445)	30,535

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Founded in 2010, the Company is a biotechnology company dedicated to developing bispecific antibody (BsAb)-based therapies. The Company has been forward-looking in deploying its presence in a number of promising therapeutic fields, including but not limited to tumor-associated complications, tumors, ophthalmology and autoimmune diseases. The Company also proactively established several self-developed technology platforms, such as Y-BODY®, Check-Body, and Nano-Ybody®, promoting the development of more candidates to clinical stages with high efficiency.

PRODUCT PIPELINE

As of the date of this report, three of our four clinical-stage drug candidates are BsAbs designed for tumor treatment or tumor-associated complications such as malignant ascites (MA) and malignant pleural effusion (MPE). In particular, we have been focusing on developing the T cell-engaging BsAb (including M701), and the tumor microenvironment (TME)-targeted BsAbs, including Y101D and Y332. As of the date of this report, we have two Core Products, M701 and Y101D. M701 is a recombinant BsAb that targets cancer cells expressing human EpCAM and T cells expressing human CD3. M701 is primarily being developed for the treatment of MA and MPE, which are severe complications of cancer characterized by the accumulation of fluids in the abdominal or chest cavity of cancer patients. Y101D is a recombinant anti-PD-L1 and anti-TGF-β humanized BsAb being developed for the treatment of pancreatic cancer.

The following chart summarizes our main product pipelines as of the date of this report:



Notes:

- (1) We have granted the domestic rights of M701 to CT Tianqing, and the Company retains all overseas rights. With respect to domestic rights, we are entitled to receive an upfront payment, milestone payments upon the occurrence of certain pre-agreed milestone events, and tiered royalties based on net sales.
- (2) In compliance with the specific agreement between both parties concerning the rights related to the U.S., Europe and Japan, we have transferred all the rights and assets of Y400 to Shenzhen Kangzhe Vision and CMS R&D. We are entitled to receive an upfront payment, milestone payments upon the occurrence of certain pre-agreed milestone events, and tiered royalties based on net sales. We are negotiating new right arrangements of Y400 with Shenzhen Kangzhe Vision and CMS R&D.
- (3) All of our drug candidates are in-house developed.

Abbreviations: Mono refers to monotherapy; Combo refers to combination therapy; EpCAM refers to epithelial cell adhesion molecule; CD3 refers to cluster of differentiation 3; PD-L1 refers to programmed death ligand 1; TGF-β refers to transforming growth factor-β; VEGF refers to vascular endothelial growth factor; ANG2 refers to angiopoietin-2; nAMD refers to neovascular age-related macular degeneration; DME refers to diabetic macular edema.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

As of the date of this report, the Company has made significant progress in its pipeline products and business operations. The following sets out the progress the Company has made during the Reporting Period.

M701

M701, our Core Product, is a recombinant BsAb targeting cancer cells expressing human EpCAM and T cells expressing human CD3. M701 is primarily being developed for the treatment of MA and MPE, which are severe complications of cancer characterized by the accumulation of fluids in the abdominal or chest cavity of cancer patients.

In October 2024, we reached a license cooperation with CT Tianqing, including granting CT Tianqing an exclusive, sublicensable license to develop, register, manufacture and commercialize M701 within the licensed territory and the licensed field. For details, please refer to the announcement of the Company dated October 7, 2024.

In March 2025, we submitted a patent application for the M701 formulation to the China National Intellectual Property Administration.

In April 2025, the M701 sequence patent was granted in China.

In May 2025, the M701 sequence patent was granted in Russia.

- **MA:** We are currently conducting a Phase III clinical trial of M701 for treatment of MA in China, which is designed to evaluate the efficacy of M701 monotherapy in combination with systematic treatment (including targeted therapy, immunotherapy or chemotherapy) for MA.

As of July 2025, the enrollment of all subjects for the Phase III clinical trial of M701 for the treatment of MA had been completed, with a total of 312 subjects enrolled, and follow-up is ongoing.

- **MPE:** We are conducting a Phase Ib/II clinical trial of M701 for the treatment of MPE in China. We completed the Phase Ib portion of this trial, with a total of 24 patients enrolled. The Phase Ib clinical data demonstrates preliminary efficacy of M701 in controlling MPE in NSCLC patients.

As of July 2025, 93% of subject enrollment for the Phase II clinical trial of M701 for the treatment of MPE had been completed.

Current data show that M701 has demonstrated good safety and significant potential in controlling MPE in NSCLC patients. The interim results of Phase II have been accepted by the European Society for Medical Oncology (ESMO) Congress 2025 and will be presented as a poster in October.

As of the date of this report, the Phase III clinical trial of M701 for the treatment of MA and the Phase II clinical trial of M701 for the treatment of MPE have progressed smoothly and the drug's safety is good.

MANAGEMENT DISCUSSION AND ANALYSIS

Y101D

Y101D, our Core Product, a recombinant anti-PD-L1 and anti-TGF- β humanized BsAb, is being developed for the treatment of solid tumors. Y101D is designed to simultaneously inhibit the programmed death receptor 1 (PD-1) and its ligand (PD-L1 axis) and the TGF- β signaling pathways, thus having the potential to unleash a synergistic anti-tumor activity and relieve drug resistance. We completed a Phase I clinical trial of Y101D for the treatment of metastatic or locally advanced solid tumors in September 2024.

- **Pancreatic cancer:** We are conducting a Phase Ib/II clinical trial of Y101D in combination therapy for the treatment of advanced/metastatic pancreatic cancer. We completed the Phase Ib portion and commenced the Phase II portion of this Phase Ib/II trial in June 2023. We completed the enrollment and follow-up of all subjects in the second quarter of 2025, and are currently analyzing the data and writing the summary report. The CSR report is expected to be completed before October 2025.

Y332

Y332, a recombinant anti-VEGF and anti-TGF- β BsAb, is being developed for the treatment of a variety of solid tumors. In preclinical studies, Y332 showed high affinity to both VEGF and TGF- β , favorable bioactivity and stability, and demonstrated encouraging anti-tumor effects. We commenced a Phase I clinical trial of Y332 for the treatment of metastatic or locally advanced solid tumors in October 2023.

In February 2025, we completed the Phase I clinical trial of Y332, with a total of 18 subjects enrolled. The drug's safety was preliminarily evaluated, and the current overall safety profile is good.

We are evaluating the feasibility of developing Y332 in combination therapy through preclinical studies.

Y400

As a testament to our research and development capability, in compliance with the specific agreement between both parties concerning the rights related to the U.S., Europe and Japan, we have transferred all the rights and assets of Y400 to Shenzhen Kangzhe Vision and CMS R&D. Y400 is a Class I Innovative Biological Product targeting ocular fundus neovascular diseases. It is a VEGFA/ANG2 tetravalent bispecific antibody designed with a proprietary nano-antibody structure. This innovative molecule can inhibit neovascularization while enhancing stability of vascular through dual pathways (VEGFA and ANG2), offering the potential for enhanced efficacy and reduced dosing frequency compared to existing anti-VEGF therapies. As at the date of this report, Y400 progressed to a multicenter Phase II clinical trial in China, evaluating the safety, tolerability, pharmacokinetics, and efficacy of intravitreal injections in patients with neovascular age-related macular degeneration (nAMD). The Phase I trial demonstrated favorable safety and efficacy profiles, and the first patient had been enrolled in the Phase II trial.

MANAGEMENT DISCUSSION AND ANALYSIS

Y225

Y225 is a biosimilar of Emicizumab for the treatment of hemophilia. Y225 has completed cell line construction, drug substance process and formulation development, technology transfer, toxicology batch production and testing (500L scale), and GMP batch production and testing (500L scale).

In January 2025, we submitted a patent application for the Y225 formulation to the China National Intellectual Property Administration.

We expect to obtain IND approval for Y225 by the end of 2025.

Y232

Y232 is a BsAb for the treatment of inflammatory bowel disease of TL1A × X, which can simultaneously inhibit two inflammatory signaling pathways to effectively alleviate the occurrence and development of inflammation. It is currently in the stage of candidate molecule screening confirmation.

Warning under Rule 18A.08(3) of the Listing Rules: There is no assurance that we may be able to ultimately develop and market M701, Y101D, Y332, Y225 and Y232 successfully. There is no assurance that Y400 may be ultimately developed and marketed successfully. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

Manufacturing Facilities and Collaboration with CMOs/CDMOs

As of the date of this report, we maintain a manufacturing base of approximately 1,400 square meters with a scale of 500L (two 200L bioreactors and two 50L bioreactors) and a maximum annual production of 20-24 batches with single bioreactor to accommodate the manufacturing demands for our preclinical studies and earlier phases of clinical trials for a majority of our drug candidates, including M701, Y332, and our preclinical candidates. From January to July 2025, we completed the production of 3 batches of drug substance and 6 batches of drug product for the Y225 project.

Besides manufacturing conducted at our own facilities, we currently also engage third-party CMOs/CDMOs for the sample production for pivotal clinical trials, process characterization and process validation of M701, as well as the production of application batches for the Y225 project, and those projects require larger production volumes. We are responsible for the development of manufacturing process of our drug candidates, and CMOs/CDMOs are responsible for the manufacturing.

Commercialization

We plan to promote the marketization of our Core Products through commercialization licensing and international cooperation. On the one hand, we proactively seek in-depth collaboration in the clinical stage with global partners who have rich resources and experience to jointly advance the development of product pipeline and lay a solid foundation for the future market landscape of our products. On the other hand, we will accelerate the commercialization of our Core Products through flexible and diverse product licensing, injecting strong momentum into the Company's long-term development.

MANAGEMENT DISCUSSION AND ANALYSIS

FUTURE DEVELOPMENT

Looking forward to the second half of 2025, the promotion of overseas collaborative development of our core pipelines and the acceleration of our R&D progress for our drug candidates are our top priorities. We will continue to rapidly advance the clinical development of our drug candidates and introduce new drugs to clinical pipeline. In particular, we will: (i) actively promote overseas clinical research and cooperative development of M701, especially the obtaining of IND approval for M701 for the treatment of MPE in the U.S., and continue to complete Phase III and II clinical trials of M701 for the treatment of MA and MPE, and accelerate its domestic registration application; (ii) obtain IND approval for Y225 in China; (iii) complete the Phase II portion of the Phase Ib/II clinical trial of Y101D for pancreatic cancer, as well as the Phase I clinical trial of Y332 for the treatment of a variety of solid tumors; and (iv) further develop our preclinical drug candidates, with an aim to advance additional new candidates into clinical development. We also plan to complete the production process characterization studies for M701 and carry out process validation, in preparation for its commercial launch.

FINANCIAL REVIEW

Revenue

During the Reporting Period, our revenue consisted of (i) license fee income and (ii) R&D service income.

License fee income

The license fee income is mainly due to a license and collaboration agreement entered into by and between the Company and CT Tianqing. During the six months ended June 30, 2025, the Group recognised revenue of RMB4.7 million in relation to the grant of a right to use the license for the achievement of development milestone.

R&D service income

R&D service income is mainly based on the license and collaboration agreement entered into by and between the Company and CT Tianqing, for which the Company provides entrusted R&D services. During the six months ended June 30, 2025, the Company recognized R&D service income of RMB32.5 million on a progressive basis based on the relative proportion of effort or input to satisfy the performance obligation and the total input expected to be required to satisfy the performance obligation.

The following table sets forth a breakdown of our revenue for the years indicated:

	Six months ended June 30,	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Types of goods or services		
<i>Recognised at a point in time</i>		
License fee income	4,717	–
<i>Recognised over time</i>		
R&D service income	32,470	–
	37,187	–

MANAGEMENT DISCUSSION AND ANALYSIS

Other Income

During the Reporting Period, our other income consisted of (i) government grants, (ii) bank interest income and (iii) others.

Government grants included grants received from various PRC government authorities mainly including various incentives for the Group's research and development activities which had certain conditions imposed by the respective PRC government authorities. The relevant conditions have been fully met upon recognition. Bank interest income included interest from bank deposits. Others included other miscellaneous non-operating income.

The following table sets forth a breakdown of our other income for the periods indicated:

	Six months ended June 30,			
	2025		2024	
	RMB'000	%	RMB'000	%
Government grants	7,171	93.3	2,825	59.0
Bank interest income	502	6.5	1,950	40.8
Others	11	0.2	11	0.2
Total	7,684	100.0	4,786	100.0

Our other income increased by RMB2.9 million from RMB4.8 million for the Corresponding Period to RMB7.7 million for the Reporting Period, primarily due to an increase in government grants of RMB4.4 million, as we received grants from local government for the items we applied during the Reporting Period, including life health industrial development fund, 3551 Special Fund Subsidy and awards granted by the local government for Wuhan Talent Program for Industry Leadership Talents, amounting to RMB7.2 million in aggregate, as compared to RMB2.8 million for the Corresponding Period, which was partially offset by a decrease in bank interest of RMB1.4 million, mainly due to decrease in interest from cash deposits arising from equity financing and bank loans during the Reporting Period.

Other Gains and Losses

During the Reporting Period, our other gains and losses consisted mainly of (i) loss on disposal of property and equipment and (ii) foreign exchange gains.

The following table sets forth a breakdown of our other gains and losses for periods indicated:

	Six months ended June 30,			
	2025		2024	
	RMB'000	%	RMB'000	%
Loss on disposal of property and equipment	(15)	(3.2)	—	—
Gain on termination of lease agreement	—	—	7	— (Note)
Foreign exchange gains	486	103.2	2,194	100.0
Total	471	100.0	2,201	100.0

Note: the percentage ratio is less than 0.1%

MANAGEMENT DISCUSSION AND ANALYSIS

Loss on disposal of property and equipment represented our loss from disposing of certain assets.

We recorded other gains of RMB0.5 million for the Reporting Period, compared with other gains of RMB2.2 million for the Corresponding Period. The decrease of RMB1.7 million for the Reporting Period was mainly because the foreign exchange gains in relation to the proceeds from the Global Offering denominated in Hong Kong dollars decreased by RMB1.7 million compared with that of the Corresponding Period.

Research and Development Expenses

During the Reporting Period, our research and development expenses consisted of (i) technical service fees, (ii) raw materials costs, (iii) employee benefit expenses, (iv) depreciation and amortization expenses and (v) others. Technical service fees are mainly related to our engagement with third party service providers including CROs, SMOs, CMOs/CDMOs, clinical trial sites and principal investigators, as well as other expenses incurred in connection with our pre-clinical studies and clinical trials. Raw materials costs mainly included expenses for procuring materials and consumables used to support our preclinical studies and clinical trials. Employee benefit expenses consisted of wages and salaries, bonuses and other employee benefits for research and development employees. Depreciation and amortization expenses mainly represented the depreciation and amortization of our right-of-use assets, property and equipment for research and development purposes. Others mainly included general expenses including utilities, traveling and transportation expenses and other miscellaneous expenses incurred for research and development purposes.

The following table sets forth breakdowns by activities of our research and development expenses in absolute amount and as percentages of our total research and development expenses for the periods indicated:

	Six months ended June 30,			
	2025		2024	
	RMB'000	%	RMB'000	%
Technical service fees	42,844	71.2	47,782	68.0
Raw material costs	5,032	8.4	5,062	7.2
Employee benefit expenses	7,877	13.1	12,140	17.3
Depreciation and amortization expenses	1,968	3.3	2,771	3.9
Others	2,465	4.0	2,535	3.6
Total	60,186	100.0	70,290	100.0

Our research and development expenses were RMB60.2 million for the Reporting Period, representing a decrease of RMB10.1 million as compared to RMB70.3 million for the Corresponding Period, mainly due to the combined effect of (i) a decrease of RMB5 million in technical service fees as compared to that of the Corresponding Period, (ii) a decrease of RMB4.3 million in employee benefit expenses as compared to that of the Corresponding Period and (iii) a decrease of RMB0.8 million in depreciation and amortization expenses as compared to that of the Corresponding Period.

MANAGEMENT DISCUSSION AND ANALYSIS

Administrative Expenses

During the Reporting Period, our administrative expenses consisted of (i) employee benefits expenses, (ii) professional parties' fees, (iii) depreciation and amortization expenses, (iv) business development fees, (v) freight and miscellaneous fees and (vi) others. Employee benefits expenses consisted of wages and salaries, bonuses and other employee benefits for administrative employees. Professional parties' fees represented our engagement of professional parties during our ordinary course of business. Depreciation and amortization expenses represented the depreciation and amortization of our right-of-use assets, property and equipment for administrative purposes. Business development expenses represented administrative fees incurred as a result of our business development activities. Freight and miscellaneous fees are comprised of transportation expenses. Others mainly included short-term leases expenses, utility fees, traveling expenses, office consumables, and other miscellaneous expenses.

The following table sets forth breakdowns of our administrative expenses in absolute amount and as percentages of our total administrative expenses for the periods indicated:

	Six months ended June 30,			
	2025		2024	
	RMB'000	%	RMB'000	%
Employee benefits expenses	4,854	40.2	4,563	34.9
Professional parties' fees	2,968	24.6	3,974	30.4
Depreciation and amortization expenses	403	3.3	770	5.9
Business development fees	365	3.0	653	5.0
Freight and miscellaneous fees	491	4.1	207	1.6
Others	3,007	24.8	2,897	22.2
Total	12,088	100.0	13,064	100.0

Our administrative expenses were RMB12.1 million for the Reporting Period, which remained relatively stable as compared to RMB13.1 million for the Corresponding Period.

Finance Costs

Our finance costs primarily represented our interest expenses on bank and other borrowings. Our finance costs were RMB2.4 million for the Reporting Period, representing an increase of RMB0.4 million as compared to RMB2.0 million for the Corresponding Period, mainly due to an increase in interest expense resulting from an increase of bank borrowings.

Income Tax Expense

For the Corresponding Period and the Reporting Period, we incurred no income tax expenses.

Loss and Total Comprehensive Expenses

As a result of the foregoing, our losses and total comprehensive expenses were RMB58.8 million for the Reporting Period, representing a decrease of RMB19.6 million as compared to RMB78.4 million for the Corresponding Period.

MANAGEMENT DISCUSSION AND ANALYSIS

Liquidity and Capital Resources

Our primary sources of liquidity consisted of cash and cash equivalents, which we have historically generated primarily through capital contributions from our shareholders, private equity financing and bank loans. We expect that our cash needs in the near future will primarily relate to progressing the development of our drug candidates towards receiving regulatory approval and commencing commercialization, as well as expanding our drug candidate portfolio.

As of June 30, 2025, our cash and cash equivalents increased to RMB166.2 million from RMB126.3 million as of December 31, 2024. The increase was primarily attributable to the improvement in cash flows from operating activities and financing activities.

As of June 30, 2025, we had current assets of RMB195.3 million, including cash and cash equivalents of RMB166.2 million, trade and other receivables and prepayments of RMB24.1 million, value-added tax recoverable of RMB1.3 million and inventories of RMB3.7 million. As of June 30, 2025, we had current liabilities of RMB212.5 million, including bank borrowings of RMB101.8 million, trade and other payables of RMB56.2 million, advance from transfer agreement of RMB39.5 million, contract liabilities of RMB14.2 million, deferred income of RMB0.5 million and lease liabilities of RMB0.3 million.

For the Reporting Period, our net cash from operating activities was RMB12.2 million (the Corresponding Period: our net cash used in operating activities was RMB58.2 million), which was primarily attributable to our loss before tax of RMB58.8 million, adjusted for non-cash and non-operating items. Positive adjustments primarily included (i) an increase in trade and other payables of RMB6.8 million, (ii) depreciation of equipment of RMB2.1 million, and (iii) interest expenses on finance costs of RMB2.4 million. Negative adjustment mainly included (i) a decrease in trade and other receivables and prepayments of RMB60.3 million, (ii) an increase in value-added tax recoverable of RMB1.3 million, and (iii) bank interest income of RMB0.5 million.

For the Reporting Period, our net cash from investing activities was RMB0.3 million (the Corresponding Period: our net cash used in investing activities of RMB4.5 million). Such cash inflow was mainly due to the cash inflow from bank interest income of RMB0.5 million, which was partially offset by cash outflow of RMB0.2 million from purchase of property and equipment.

For the Reporting Period, our net cash from financing activities was RMB26.9 million (the Corresponding Period: our net cash from financing activities was RMB27.8 million). Such cash inflow was due to the new bank borrowing raised of RMB69.9 million, which was partially offset by cash outflow mainly in relation to the repayment of bank borrowings of RMB40.4 million.

Capital Structure

The capital structure of the Group consists of bank borrowings, lease liabilities, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves. The Group's debts and monetary assets are denominated in Renminbi and/or Hong Kong dollars.

As of June 30, 2025, the carrying amounts of the bank borrowings were mainly repayable within one to two years.

MANAGEMENT DISCUSSION AND ANALYSIS

Indebtedness

As of June 30, 2025, we had bank borrowings of RMB156.4 million, consisting of secured bank loans of RMB76.4 million and unsecured bank loans of RMB80.0 million. Our bank borrowings increased from RMB126.9 million as of December 31, 2024 to RMB156.4 million as of June 30, 2025, in relation to additional loans we obtained from banks as our working capital. As of June 30, 2025, we had unutilized banking facilities of RMB150.0 million.

As of June 30, 2025, we had lease liabilities of RMB0.3 million, remaining at a relatively stable level as compared to RMB0.5 million as of December 31, 2024.

Gearing Ratio

Gearing ratio represents liability divided by equity as of the same dates and multiplied by 100%. Liability is defined as short-term loan and lease liabilities. Our gearing ratio decreased from 249.8% as of December 31, 2024 to -317.8% as of June 30, 2025, primarily due to a decrease in equity mainly as a result of our loss recorded for the first half of 2025.

Significant Investments Held

We did not make or hold any significant investments during the Reporting Period.

Material Acquisitions and/or Disposals of Subsidiaries and Affiliated Companies

We did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Period.

Future Plans for Material Investments or Capital Asset

As of the date of this report, we do not have any concrete future plans for material capital expenditure, investments or capital assets. We will make further announcement(s) in accordance with the Listing Rules, where applicable, if any investments and acquisition opportunities materialize.

Contingent Liabilities

As of June 30, 2025, we did not have any contingent liabilities. As of the date of this report, there have been no material changes or arrangements to our contingent liabilities.

Capital Commitments

As of June 30, 2025, we did not have any significant capital commitments.

Charges on Group Assets

As of June 30, 2025, certain of our bank borrowings were secured by our property and equipment, right-of-use assets and investment properties with carrying amount of RMB5.1 million, RMB7.7 million, and RMB0.4 million as of the same date.

Foreign Exchange Exposure

Certain financial liabilities of respective group entities are denominated in foreign currency, which are exposed to foreign currency risk. We did not have a foreign currency hedging policy against our exposure to currency risk during the Reporting Period. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

MANAGEMENT DISCUSSION AND ANALYSIS

Employee Remuneration and Relations

As of June 30, 2025, the Group had a total of 106 employees with 82 employees for research and development and 24 employees for general and administrative.

We are committed to making sure that working conditions throughout our business network are safe and that employees are treated with care and respect. We believe we offer our employees competitive compensation packages, reflecting our stakeholder-centric ethos which we believe leads to sustainable and durable growth. As required by PRC regulations, we participate in various government statutory employee benefit plans, including social insurances, namely pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, and housing funds. We are required under PRC law to make contributions to employee benefit plans at specified percentages of the salaries, bonuses and certain allowances of our employees, up to a maximum amount specified by the local government regulations from time to time. Our compensation package also comprises year-end bonuses, communication, transport and meal allowances, staff dormitory, paid leaves, and holiday benefits. In addition, we provide career development opportunities and promote an inventive, collaborative, and productive work environment, which we believe fosters strong and long-lasting self-motivation for our employees.

We offer employees a variety of professional development opportunities and encourage a performance-driven environment. We focus on creating a culture to encourage retention and engagement. Given our emphasis on our integrated in-house research and development capabilities, we attach great importance to internal talent growth. We continually pursue progression opportunities for our staff through various internal and external training and development programs, including pre-job training, on-the-job practice, cross-training, special skills training, and talent echelon development training.

In recognition of the contributions of our employees and to incentivize them to further promote our development, the Company had adopted the Wuhan Caizhi Employee Incentive Scheme of Wuhan YZY Biopharma Co., Ltd. (the **“Wuhan Caizhi Employee Incentive Scheme”**) and the Caizhi No. 2 Employee Incentive Scheme of Wuhan YZY Biopharma Co., Ltd. (the **“Caizhi No. 2 Employee Incentive Scheme”**) (collectively, the **“Employee Incentive Schemes”**). Additionally, the Company’s 2024 H Share Option Plan is currently being implemented. For details of such employee incentive plan, please refer to the Company’s circular dated May 29, 2024 and announcement dated May 27, 2025.

An award under the Employee Incentive Schemes (the **“Award(s)”**) gives a participant in the Employee Incentive Schemes a right when granted the Award to obtain partnership interest in the employee incentive platforms (namely, Wuhan Caizhi, Caizhi No. 2, Huiyou Jucai and Huiyou Juzhi) as a limited partner. The Employee Incentive Schemes do not involve any grant of share options or awards after the Listing and therefore are not subject to the provisions of Chapter 17 of the Listing Rules. As of the date of this report, Wuhan Caizhi and Caizhi No. 2, in aggregate, directly hold 28,413,118 Shares (comprising of 22,602,913 Unlisted Shares and 5,810,205 H Shares) (representing approximately 14.66% of the total issued share capital of the Company as of the date of this report), while some of the participants indirectly held partnership interest in Wuhan Caizhi through holding partnership interest in Huiyou Jucai and/or Huiyou Juzhi. For details of the Employee Incentive Schemes, please refer to the section headed “Employee Incentive Schemes” in Appendix VI to the Prospectus.

Subsequent Events After the Reporting Period

As of the date of this report, there are no other significant events that might affect our Group since June 30, 2025.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

Save as disclosed below, as at June 30, 2025, no other Directors, Supervisors and chief executive of the Company had any interests and/or short positions in the Shares, underlying Shares and debentures of the Company and any interests and/or short positions in shares, underlying shares or debentures of any of the Company's associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO), (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or (iii) were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange:

Name of Director, Supervisor or Chief Executive of the Company	Nature of Interest	Description of the Shares ⁽⁶⁾	Number of Shares Held or Interested	Approximate percentage of interest in the Company ⁽¹⁾	Approximate percentage of interest in the Unlisted Shares/ H Shares (as appropriate) ⁽¹⁾⁽⁶⁾
Dr. Yuan Qian ⁽²⁾⁽³⁾⁽⁴⁾	Beneficial owner; interest held jointly with other persons; interest in controlled corporations	Unlisted Shares	54,262,305	27.99%	65.87% (Unlisted Shares)
		H Shares	1,342,600	0.69%	1.20% (H Shares)
Dr. Zhou Pengfei ⁽²⁾⁽³⁾⁽⁴⁾	Beneficial owner; interest held jointly with other persons; interest in controlled corporations	Unlisted Shares	54,262,305	27.99%	65.87% (Unlisted Shares)
		H Shares	1,342,600	0.69%	1.20% (H Shares)
Dr. Zhou Hongfeng ⁽²⁾⁽³⁾⁽⁴⁾	Beneficial owner; interest held jointly with other persons	Unlisted Shares	54,262,305	27.99%	65.87% (Unlisted Shares)
		H Shares	1,342,600	0.69%	1.20% (H Shares)
Wen Zhicheng (溫植成) ⁽⁵⁾	Interest in controlled corporations	Unlisted Shares	5,059,039	2.61%	6.14% (Unlisted Shares)
		H Shares	11,822,970	6.10%	10.61% (H Shares)

CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

- (1) The calculation is based on the total number of 82,380,386 Unlisted Shares and 111,468,814 H Shares in issue as at June 30, 2025. All interests stated are long positions.
- (2) Pursuant to the concert party agreement dated June 30, 2018 (“**Concert Party Agreement**”) and supplemental concert party agreements dated October 26, 2020 and June 2, 2023 entered into by Dr. Yuan Qian, Dr. Zhou Hongfeng, Dr. Zhou Pengfei and Wuhan Caizhi (each an “**AIC Party**”, collectively, “**AIC Parties**”), the AIC Parties agreed (i) to act in concert by way of reaching consensus on proposals related to the Group’s daily management and operation presented to all general meetings and Board meetings of the Company; and (ii) that when no consensus can be reached, the AIC Parties shall vote in concurrence with Dr. Yuan Qian on the proposals, or, in the event of Dr. Yuan Qian’s absence from voting, the AIC Parties shall vote in concurrence with the AIC Party with the highest shareholding percentage among the AIC Parties who votes at the meetings. As a result, each of the AIC Parties was deemed to be interested in all the Shares in which each of them is interested under the SFO.
- (3) Chengdu Puhua Kaizhi Biotechnology Co., Ltd. (成都樸華凱智生物科技有限公司) (“**Puhua Kaizhi**”) was indirectly 50% owned by Dr. Yuan Qian through his wholly-owned YZY Industrial Group Co., Ltd. (友芝友實業集團有限公司), and was 30% owned by Dr. Zhou Hongfeng. By virtue of the SFO, Dr. Yuan Qian was deemed to be interested in the 1,342,600 H Shares held by Puhua Kaizhi.
- (4) Wuhan Caizhi was owned as to approximately 50.76% by Huiyou Jucai as its largest limited partner. Huiyou Jucai was owned as to approximately 49.95% by Dr. Zhou Pengfei and was managed by Dr. Zhou Pengfei as the general partner. As a result, Dr. Zhou Pengfei was deemed to be interested in the 16,792,707 Unlisted Shares held by Wuhan Caizhi under the SFO.
- (5) (i) Nanning Yaoyou Business Consulting Partnership (Limited Partnership) (南寧曜友商務諮詢合夥企業(有限合夥)) (“**Nanning Yaoyou**”) was the general partner of Nanning Huiyou Xingyao Equity Investment Fund Partnership (Limited Partnership) (南寧匯友興曜股權投資基金合夥企業(有限合夥)) (“**Huiyou Xingyao**”). Tongde Qianyuan (Beijing) Investment Management Co., Ltd. (同德乾元(北京)投資管理有限公司) (“**Tongde Qianyuan**”) was the general partner of Nanning Yaoyou, and Tongde Qianyuan was owned as to approximately 72.38% by Wen Zhicheng; (ii) Beijing Tongde Tongxin Investment Center (Limited Partnership) (北京同德同鑫投資中心(有限合夥)) (“**Tongde Tongxin**”) was the general partner of Nanning Zhongheng Tongde Pharmaceutical Industry Investment Fund Partnership (Limited Partnership) (南寧中恒同德醫藥產業投資基金合夥企業(有限合夥)) (“**Zhongheng Tongde**”), and Tongde Qianyuan was the general partner of Tongde Tongxin; and (iii) Gongqingcheng Yaoyou Investment Center (Limited Partnership) (共青城曜友投資中心(有限合夥)) (“**Gongqingcheng Yaoyou**”) was the general partner of Gongqingcheng Huiyou Xingyao Phase II Equity Investment Partnership (Limited Partnership) (共青城匯友興曜二期股權投資合夥企業(有限合夥)) (“**Gongqingcheng Huiyou**”), and Tongde Qianyuan was the general partner of Gongqingcheng Yaoyou. As a result, Wen Zhicheng was deemed to be interested in (i) the 6,695,271 H Shares and 3,447,526 Unlisted Shares held by Huiyou Xingyao, (ii) the 3,700,872 H Shares held by Zhongheng Tongde, and (iii) the 1,426,827 H Shares and 1,611,513 Unlisted Shares held by Gongqingcheng Huiyou under the SFO.
- (6) For the avoidance of doubt, both Unlisted Shares and H Shares are ordinary Shares in the share capital of the Company, and are considered as one class of Shares.

CORPORATE GOVERNANCE AND OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as the Directors are aware, as at June 30, 2025, the following persons (other than the Directors, Supervisors or chief executive of the Company as disclosed above) had interests and/or short positions in the Shares or the underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, and which would be recorded in the register required to be kept under Section 336 of the SFO, or, who are, directly or indirectly interested in 5% or more of the nominal value of any class of the share capital carrying rights to vote in all circumstances at general meetings of the Company:

Name of Shareholder	Nature of Interest	Description of the Shares ⁽¹⁵⁾	Number of Shares Held or Interested	Approximate percentage of interest in the Company ⁽¹⁾	Approximate percentage of interest in the Unlisted Shares/ H Shares (as appropriate) ⁽¹⁾⁽¹⁵⁾
Wuhan Caizhi ⁽²⁾⁽³⁾	Beneficial owner; interest held jointly with other persons	Unlisted Shares	54,262,305	27.99%	65.87% (Unlisted Shares)
		H Shares	1,342,600	0.69%	1.20% (H Shares)
Wuhan Caizhi Technology Co. Ltd. (武漢才智科技有限責任公司) ⁽²⁾⁽⁴⁾	Interest in controlled corporations	Unlisted Shares	54,262,305	27.99%	65.87% (Unlisted Shares)
		H Shares	1,342,600	0.69%	1.20% (H Shares)
Huiyou Jucai ⁽²⁾⁽⁵⁾	Interest in controlled corporations	Unlisted Shares	54,262,305	27.99%	65.87% (Unlisted Shares)
		H Shares	1,342,600	0.69%	1.20% (H Shares)
CSPC NBP Pharmaceutical Co., Ltd. (石藥集團恩必普藥業有限公司) ("CSPC-NBP") ⁽⁶⁾	Beneficial owner	H Shares	51,241,785	26.43%	45.97% (H Shares)
CSPC Pharmaceutical Group Limited (石藥集團有限公司) ("CSPC") ⁽⁶⁾	Interest in controlled corporation	H Shares	51,241,785	26.43%	45.97% (H Shares)
Dragon Merit Holdings Limited ⁽⁶⁾	Interest in controlled corporation	H Shares	51,241,785	26.43%	45.97% (H Shares)

CORPORATE GOVERNANCE AND OTHER INFORMATION

Name of Shareholder	Nature of Interest	Description of the Shares ⁽¹⁵⁾	Number of Shares Held or Interested	Approximate percentage of interest in the Company ⁽¹⁾	Approximate percentage of interest in the Unlisted Shares/ H Shares (as appropriate) ⁽¹⁾⁽¹⁵⁾
Robust Sun Holdings Limited ⁽⁶⁾	Interest in controlled corporation	H Shares	51,241,785	26.43%	45.97% (H Shares)
Caizhi No. 2	Beneficial owner	Unlisted Shares	5,810,206	3.00%	7.05% (Unlisted Shares)
		H Shares	5,810,205	3.00%	5.21% (H Shares)
Tongde Qianyan ⁽⁷⁾	Interest in controlled corporation	Unlisted Shares	5,059,039	2.61%	6.14% (Unlisted Shares)
		H Shares	11,822,970	6.10%	10.61% (H Shares)
Huiyou Xingyao ⁽⁷⁾	Beneficial owner	Unlisted Shares	3,447,526	1.78%	4.18% (Unlisted Shares)
		H Shares	6,695,271	3.45%	6.01% (H Shares)
Nanning Yaoyou ⁽⁷⁾	Interest in controlled corporation	Unlisted Shares	3,447,526	1.78%	4.18% (Unlisted Shares)
		H Shares	6,695,271	3.45%	6.01% (H Shares)
Dr. Guo Hongwei ⁽⁸⁾	Beneficial owner	Unlisted Shares	370,087	0.19%	0.45% (Unlisted Shares)
	Interest in controlled corporations	Unlisted Shares	5,059,039	2.61%	6.14% (Unlisted Shares)
		H Shares	8,122,098	4.19%	7.29% (H Shares)
Long Star Growth Group Limited (長星成長集團有限公司) ("Long Star Growth") ⁽⁹⁾	Beneficial owner	H Shares	7,916,510	4.08%	7.10% (H Shares)
Sooner Star Limited ⁽⁹⁾	Interest in controlled corporation	H Shares	7,916,510	4.08%	7.10% (H Shares)

CORPORATE GOVERNANCE AND OTHER INFORMATION

Name of Shareholder	Nature of Interest	Description of the Shares ⁽¹⁵⁾	Number of Shares Held or Interested	Approximate percentage of interest in the Company ⁽¹⁾	Approximate percentage of interest in the Unlisted Shares/ H Shares (as appropriate) ⁽¹⁾⁽¹⁵⁾
CDH Growth Fund III (USD Parallel), L.P. ("CDH Growth Fund") ⁽⁹⁾	Interest in controlled corporation	H Shares	7,916,510	4.08%	7.10% (H Shares)
CDH R-III Parallel Holdings Company Limited ⁽⁹⁾	Interest in controlled corporation	H Shares	7,916,510	4.08%	7.10% (H Shares)
CDH GP Holdings Company Limited ⁽⁹⁾	Interest in controlled corporation	H Shares	7,916,510	4.08%	7.10% (H Shares)
CDH Investment Management Company Limited ⁽⁹⁾	Interest in controlled corporation	H Shares	7,916,510	4.08%	7.10% (H Shares)
CDH 2018 VGC Investment Fund, L.P. ⁽⁹⁾	Interest in controlled corporation	H Shares	7,916,510	4.08%	7.10% (H Shares)
CDH Management Company Limited ⁽⁹⁾	Interest in controlled corporation	H Shares	7,916,510	4.08%	7.10% (H Shares)
Wang Lin (王霖) ⁽⁹⁾	Interest in controlled corporation	H Shares	7,916,510	4.08%	7.10% (H Shares)
CDH Griffin Holdings Company Limited ("CDH Griffin") ⁽⁹⁾	Interest in controlled corporation	H Shares	7,916,510	4.08%	7.10% (H Shares)
Central Oak Company Limited ⁽⁹⁾	Interest in controlled corporation	H Shares	7,916,510	4.08%	7.10% (H Shares)
Wu Shangzhi (吳尚志) ⁽⁹⁾	Interest in controlled corporation	H Shares	7,916,510	4.08%	7.10% (H Shares)
Hainan Boyou Enterprise Management Consulting Center (Limited Partnership) (海南博友企業管理諮詢中心 (有限合夥)) ("Hainan Boyou") ⁽¹⁰⁾	Beneficial owner	H Shares	7,626,513	3.93%	6.84% (H Shares)

CORPORATE GOVERNANCE AND OTHER INFORMATION

Name of Shareholder	Nature of Interest	Description of the Shares ⁽¹⁵⁾	Number of Shares Held or Interested	Approximate percentage of interest in the Company ⁽¹⁾	Approximate percentage of interest in the Unlisted Shares/ H Shares (as appropriate) ⁽¹⁾⁽¹⁵⁾
Liu Dong (劉東) ⁽¹⁰⁾	Interest in controlled corporation	H Shares	7,626,513	3.93%	6.84% (H Shares)
Shijiazhuang Shidai Weiye Cultural Development Co., Ltd (石家莊市時代偉業文化發展有限公司) ("Shidai Weiye") ⁽¹⁰⁾	Interest in controlled corporation	H Shares	7,626,513	3.93%	6.84% (H Shares)
Liu Junting (劉俊亭) ⁽¹⁰⁾	Interest in controlled corporation	H Shares	7,626,513	3.93%	6.84% (H Shares)
Ningbo Meishan Bonded Port Area Guangrui Hongxiang Equity Investment Partnership (Limited Partnership) (寧波梅山保稅港區廣瑞弘祥股權投資合夥企業(有限合夥)) ("Guangrui Hongxiang") ⁽¹¹⁾	Beneficial owner	H Shares	7,196,835	3.71%	6.46% (H Shares)
Guoxin Sichuang Investment Fund Management (Beijing) Co., Ltd (國新思創投資基金管理(北京)有限公司) ("Guoxin Sichuang") ⁽¹¹⁾	Interest in controlled corporation	H Shares	7,196,835	3.71%	6.46% (H Shares)
Wang Hongjie (王宏傑) ⁽¹¹⁾	Interest in controlled corporation	H Shares	7,196,835	3.71%	6.46% (H Shares)
Hebei Yier Enterprise Management Consulting Co., LTD (河北益爾企業管理諮詢有限公司) ("Hebei Yier") ⁽¹¹⁾	Interest in controlled corporation	H Shares	7,196,835	3.71%	6.46% (H Shares)

CORPORATE GOVERNANCE AND OTHER INFORMATION

Name of Shareholder	Nature of Interest	Description of the Shares ⁽¹⁵⁾	Number of Shares Held or Interested	Approximate percentage of interest in the Company ⁽¹⁾	Approximate percentage of interest in the Unlisted Shares/ H Shares (as appropriate) ⁽¹⁾⁽¹⁵⁾
Wuhan Optics Valley New Technology Industry Investment Co., Ltd (武漢光谷新技術產業投資有限公司) ("Guanggu New Technology") ⁽¹²⁾	Beneficial owner	Unlisted Shares	7,000,000	3.61%	8.50% (Unlisted Shares)
Wuhan Hi-Tech Holding Group Co., Ltd. (武漢高科國有控股集團有限公司) ("Wuhan Hi-Tech") ⁽¹²⁾	Interest in controlled corporation	Unlisted Shares	7,000,000	3.61%	8.50% (Unlisted Shares)
Wuhan Optics Valley Health Industry Investment Ltd. (武漢光谷健康產業投資有限公司) ("Guanggu Health") ⁽¹³⁾	Beneficial owner	Unlisted Shares	5,600,000	2.89%	6.80% (Unlisted Shares)
		H Shares	2,686,000	1.39%	2.41% (H Shares)
Hubei Science and Technology Investment Group Co, Ltd. (湖北省科技投資集團有限公司) ("Hubei Science & Technology Investment") ⁽¹³⁾⁽¹⁴⁾	Interest in controlled corporation	Unlisted Shares	7,000,000	3.61%	8.50% (Unlisted Shares)
		H Shares	2,686,000	1.39%	2.41% (H Shares)
Wuhan East Lake New Technology Development Zone Management Committee (武漢東湖新技術開發區管理委員會) ("East Lake Management Committee") ⁽¹²⁾⁽¹³⁾⁽¹⁴⁾	Interest in controlled corporations	Unlisted Shares	14,000,000	7.25%	16.99% (Unlisted Shares)
		H Shares	2,686,000	1.39%	2.41% (H Shares)

CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

- (1) The calculation is based on the total number of 82,380,386 Unlisted Shares and 111,468,814 H Shares in issue as at June 30, 2025. All interests stated are long positions.
- (2) Pursuant to the Concert Party Agreement and supplemental concert party agreements dated October 26, 2020 and June 2, 2023 entered into by Dr. Yuan Qian, Dr. Zhou Hongfeng, Dr. Zhou Pengfei and Wuhan Caizhi, the AIC Parties agreed (i) to act in concert by way of reaching consensus on proposals related to the Group's daily management and operation presented to all general meetings and Board meetings of the Company; and (ii) that when no consensus can be reached, the AIC Parties shall vote in concurrence with Dr. Yuan Qian on the proposals, or, in the event of Dr. Yuan Qian's absence from voting, the AIC Parties shall vote in concurrence with the AIC Party with the highest shareholding percentage among the AIC Parties who votes at the meetings. As a result, each of the AIC Parties was deemed to be interested in all the Shares in which each of them is interested under the SFO.
- (3) Puhua Kaizhi was indirectly 50% owned by Dr. Yuan Qian through his wholly-owned YZY Industrial Group Co., Ltd. (友芝友實業集團有限公司), and was 30% owned by Dr. Zhou Hongfeng. By virtue of the SFO, Dr. Yuan Qian was deemed to be interested in the 1,342,600 H Shares held by Puhua Kaizhi.
- (4) Wuhan Caizhi Technology Co. Ltd. (武漢才智科技有限公司) was the executive partner of Wuhan Caizhi and able to exercise the voting rights held by Wuhan Caizhi in the Company pursuant to the Concert Party Agreement. As a result, Wuhan Caizhi Technology Co. Ltd. was deemed to be interested in, through Wuhan Caizhi (one of the AIC Parties), all the Shares in which each of the AIC Parties is interested under the SFO.
- (5) Wuhan Caizhi was owned as to approximately 50.76% by Huiyou Jucai as its largest limited partner. Huiyou Jucai was owned as to approximately 49.95% by Dr. Zhou Pengfei and was managed by Dr. Zhou Pengfei as the general partner. As a result, Huiyou Jucai was deemed to be interested in, through Wuhan Caizhi (one of the AIC Parties), all the Shares in which each of the AIC Parties is interested under the SFO.
- (6) CSPC-NBP was owned as to 54.06% and 45.94% by CSPC and Dragon Merit Holdings Limited, respectively; and Dragon Merit Holdings Limited was owned as to 100.00% by Robust Sun Holdings Limited, which was wholly owned by CSPC. As a result, each of CSPC, Dragon Merit Holdings Limited and Robust Sun Holdings Limited was deemed to be interested in the 51,241,785 H Shares held by CSPC-NBP under the SFO.
- (7) (i) Nanning Yaoyou was the general partner of Huiyou Xingyao, Tongde Qianyuan was the general partner of Nanning Yaoyou, Tongde Qianyuan was owned as to approximately 72.38% by Wen Zhicheng; (ii) Beijing Tongde Tongxin Investment Center (Limited Partnership) (北京同德同鑫投資中心(有限合夥)) ("**Tongde Tongxin**") was the general partner of Nanning Zhongheng Tongde Pharmaceutical Industry Investment Fund Partnership (Limited Partnership) (南寧中恒同德醫藥產業投資基金合夥企業(有限合夥)) ("**Zhongheng Tongde**"), Tongde Qianyuan was the general partner of Tongde Tongxin; and (iii) Gongqingcheng Yaoyou was the general partner of Gongqingcheng Huiyou, Tongde Qianyuan was the general partner of Gongqingcheng Yaoyou. As a result, each of Tongde Qianyuan and Wen Zhicheng was deemed to be interested in (i) the 6,695,271 H Shares and 3,447,526 Unlisted Shares held by Huiyou Xingyao, (ii) the 3,700,872 H Shares held by Zhongheng Tongde, and (iii) the 1,426,827 H Shares and 1,611,513 Unlisted Shares held by Gongqingcheng Huiyou under the SFO.
- (8) (i) Nanning Yaoyou was the executive partner of Huiyou Xingyao, and Dr. Guo Hongwei was the largest limited partner of Nanning Yaoyou with the limited partnership interests of 60.00%; and (ii) Gongqingcheng Yaoyou was the executive partner of Gongqingcheng Huiyou, and Dr. Guo Hongwei was the largest limited partner of Gongqingcheng Yaoyou with the limited partnership interests of 60.00%. As a result, Dr. Guo Hongwei was deemed to be interested in (i) the 6,695,271 H Shares and 3,447,526 Unlisted Shares held by Huiyou Xingyao and (ii) the 1,426,827 H Shares and 1,611,513 Unlisted Shares held by Gongqingcheng Huiyou under the SFO.
- (9) (i) Long Star Growth was indirectly wholly owned by CDH Growth Fund through its wholly-owned Sooner Star Limited; (ii) CDH R-III Parallel Holdings Company Limited was the general partner of CDH Growth Fund; (iii) CDH R-III Parallel Holdings Company Limited was owned as to approximately 43% by CDH GP Holdings Company Limited which was in turn wholly owned by CDH Investment Management Company Limited, and approximately 57% by CDH 2018 VGC Investment Fund, L.P. with CDH Management Company Limited being its general partner and Wang Lin being its single limited partner owning its 100% partnership interests; (iv) CDH Investment Management Company Limited and CDH Management Company Limited were wholly owned by CDH Griffin; (v) CDH Griffin was owned to approximately 33.2% by Central Oak Company Limited which was in turn wholly owned by Wu Shangzhi. As a result, each of Sooner Star Limited, CDH Growth Fund, CDH R-III Parallel Holdings Company Limited, CDH GP Holdings Company Limited, CDH Investment Management Company Limited, CDH 2018 VGC Investment Fund, L.P., CDH Management Company Limited, Wang Lin, CDH Griffin, Central Oak Company Limited and Wu Shangzhi was deemed to be interested in the 7,916,510 H Shares held by Long Star Growth under the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION

- (10) (i) Liu Dong was the general partner of Hainan Boyou; (ii) Hainan Boyou was owned as to approximately 31.13% by Shidai Weiye as its largest limited partner; (iii) Shidai Weiye was owned as to approximately 60% by Liu Dong and 40% by Liu Junting. As a result, each of Liu Dong, Shidai Weiye and Liu Junting was deemed to be interested in the 7,626,513 H Shares held by Hainan Boyou under the SFO.
- (11) (i) Guoxin Sichuang was the general partner of Guangrui Hongxiang; (ii) Guoxin Sichuang was owned as to approximately 60% by Wang Hongjie and 40% by Hebei Yier which was in turn owned as to approximately 40% by Wang Hongjie. As a result, each of Guoxin Sichuang, Wang Hongjie and Hebei Yier was deemed to be interested in the 7,196,835 H Shares held by Guangrui Hongxiang under the SFO.
- (12) Guanggu New Technology was owned as to approximately 98.59% by Wuhan Hi-Tech, which was in turn wholly owned by the state-owned East Lake Management Committee. As a result, each of Wuhan Hi-Tech and East Lake Management Committee was deemed to be interested in the 7,000,000 Unlisted Shares held by Guanggu New Technology under the SFO.
- (13) Guanggu Health was wholly owned by Hubei Science & Technology Investment, which was in turn wholly owned by the state-owned East Lake Management Committee. As a result, each of Hubei Science & Technology Investment and East Lake Management Committee was deemed to be interested in the 2,686,000 H Shares and 5,600,000 Unlisted Shares held by Guanggu Health under the SFO.
- (14) Wuhan Optics Valley Growth Venture Capital Fund Co., Ltd (武漢光谷成長創業投資基金有限公司) (“**Guanggu Growth**”) was owned as to approximately 50.91% by Wuhan Optics Valley Venture Capital Fund Co., Ltd. (武漢光谷創業投資基金有限公司) (“**Guanggu VC**”) and as to approximately 49.09% by Wuhan Optics Valley Technology Financing Guarantee Co., Ltd. (武漢光谷科技融資擔保有限公司) (“**Guanggu Financing Guarantee**”), respectively. Guanggu VC was owned as to 57.00% by Wuhan Optics Valley Financial Holding Group Co., Ltd. (武漢光谷金融控股集團有限公司) (“**Guanggu Financial Holding Group**”) and as to 43.00% by Wuhan Guanggu Growth Venture Capital Management Co., Ltd. (武漢光谷成長創業投資管理有限公司) (“**Guanggu Growth Venture Capital**”), respectively. Guanggu Growth Venture Capital was owned as to 35.00% by Guanggu Financial Holding Group. Guanggu Financing Guarantee was owned as to 90.00% by Guanggu Financial Holding Group. Guanggu Financial Holding Group was owned as to approximately 54.61% by Hubei Science & Technology Investment, which was in turn wholly owned by the state-owned East Lake Management Committee. As a result, each of Hubei Science & Technology Investment and East Lake Management Committee was deemed to be interested in the 1,400,000 Unlisted Shares held by Guanggu Growth under the SFO.
- (15) For the avoidance of doubt, both Unlisted Shares and H Shares are ordinary Shares in the share capital of the Company, and are considered as one class of Shares.

Save as disclosed above, the Directors are not aware of any person who had an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, and which would be recorded in the register required to be kept under Section 336 of the SFO, or, who are, directly or indirectly interested in 5% or more of the nominal value of any class of the share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group.

DIRECTORS’ AND SUPERVISORS’ RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed “2024 H Share Option Plan” below, no arrangement has been made by the Company, its holding company, or any of its subsidiaries for any Director or Supervisor to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate during the Reporting Period.

CORPORATE GOVERNANCE AND OTHER INFORMATION

2024 H SHARE OPTION PLAN

At the annual general meeting of the Company ("**Annual General Meeting**") held on June 27, 2024 ("**Adoption Date**"), the Company adopted a share option plan ("**2024 H Share Option Plan**" or "**Plan**") in accordance with Chapter 17 of the Listing Rules.

As at January 1, 2025, the number of H Shares available for grant under the scheme mandate and the service provider sublimit of the 2024 H Share Option Plan was 19,384,800 H Shares and 1,938,400 H Shares, respectively. During the period commencing from the Adoption Date up to the date of this interim report, an aggregate of 3,550,000 Options to subscribe for 3,550,000 H Shares were granted to four grantees in accordance with the terms of the 2024 H Share Option Plan as disclosed in the announcement of the Company dated on May 27, 2025. Accordingly, as at June 30, 2025, the number of H Shares available for future grant under the scheme mandate limit and service provider sublimit of the 2024 H Share Option Plan was 15,834,800 H Shares and 1,938,400 H Shares, respectively. As at June 30, 2025, the number of H Shares that may be issued in respect of options and awards granted under all schemes during the Reporting Period divided by the weighted average number of Shares in issue for the Reporting Period is 3,050,000. Subsequently, in August 2025, one grantee resigned and his/her 500,000 Options granted were lapsed.

A summary of the principal terms of the Share Option Scheme is recapped below.

Purposes:

The purposes of the 2024 H Share Option Plan are:

- (a) to recognize and acknowledge the contributions that Eligible Participants have or may have made or may make to the Group;
- (b) to enhance Eligible Participants' motivation and loyalty, thereby promoting long-term corporate development and increasing shareholder value; and
- (c) to establish a sound mechanism for sharing interests and bearing risks among employees, Shareholders, and the Company.

Duration:

Subject to any early termination as determined by the Board in accordance with the Plan rules, the 2024 H Share Option Plan shall be valid and effective for a period of ten (10) years commencing from the Effective Date, after which no further Option shall be granted under the 2024 H Share Option Plan but the provisions of the 2024 H Share Option Plan shall remain in full force and effect in all other respects. In particular, all Options granted during the term of the 2024 H Share Option Plan shall continue to be valid and shall be administered in accordance with the 2024 H Share Option Plan and the relevant Grant Letter.

As at the date of this interim report, the 2024 H Share Option Plan had a remaining life of approximately eight years and nine months.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Eligible Participants:

Eligible Participants as determined by the Board or the Administrator from time to time shall be eligible to participate under the 2024 H Share Option Plan and shall comprise two categories:

- (a) employee participants, being director(s) (including executive director(s), non-executive director(s) and independent non-executive director(s)) and employee(s) (whether full-time or part-time) of any member of the Group, including any person who is granted Options under the 2024 H Share Option Plan as an inducement to enter into employment contracts with any member of the Group (the “**Employee Participants**”); and
- (b) service providers, being any person (natural person or corporate entity) who provides services to the Group on a continuing and recurring basis in the ordinary course of business of the Group which are in the interests of the long-term growth of the Group, and falls into any of the following categories (excluding any placing agents or financial advisors providing advisory services for fundraising, mergers or acquisitions, and professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity) (the “**Service Provider Participants**”):
 - (i) Contractors and suppliers

This category refers to (1) contractors that undertake sub-contracting work for the Group’s research and development, manufacturing and innovation upgrading; (2) suppliers of raw materials, parts and components for the Group’s production requirements; and (3) dealers, distributors or sales channels who provide distribution and promotion services which are in the interests of long-term growth of the Group.

CORPORATE GOVERNANCE AND OTHER INFORMATION

(ii) Consultants and advisers

This category refers to independent consultants and advisers who provide advisory services, consultancy services, and/or other professional services to any member of the Group in connection with the research and development, manufacturing or commercialization of the Group's products, or in areas relating to the Group's principal business activities that are being carried out by the Group from time to time, or on areas that are desirable and necessary from a commercial or strategic perspective and help maintain or enhance the competitiveness of the Group by way of introducing new business opportunities and/or applying their specialized skills and/or knowledge in the abovementioned fields.

In determining the eligibility of an Eligible Participant, the Board or the Administrator may take into account various factors that it in its sole and absolute discretion considers relevant in assessing his/her contribution to the long-term development and growth of the Group.

Overall Mandate Limit: Subject to the limit refreshment and separate approval of the Shareholders as stipulated in the Plan rules, assuming that the total issued share capital of the Company remains unchanged on the date of the Annual General Meeting (i) the total number of H Shares which may be issued in respect of all options and awards to be granted under all Share Plans, shall not exceed 19,384,800 H Shares, representing approximately 10.0% of the Shares in issue as at the Adoption Date; and (ii) within the Plan Mandate Limit, the total number of H Shares which may be issued in respect of all options and awards to be granted under all Share Plans to Service Provider Participants, shall not exceed 1,938,400 H Shares, representing approximately 1.0% of the Shares in issue as at the Adoption Date.

Individual Limit: Where any grant of Options to an Eligible Participant would result in the Shares issued and to be issued in respect of all options and awards under all Share Plans granted to such Eligible Participant (excluding any options and awards lapsed in accordance with the terms of all Share Plans) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the Shares in issue (excluding any treasury shares of the Company) as at the date of such grant, such grant shall be subject to certain requirements as stipulated in the Plan rules (including separate approval of the Shareholders in general meeting with such Eligible Participant and his/her close associates (or associates if such Eligible Participant is a connected person of the Company) abstaining from voting).

CORPORATE GOVERNANCE AND OTHER INFORMATION

Any grant of Options to a Director, chief executive or substantial shareholder of the Company, or any of their respective associates under the 2024 H Share Option Plan shall be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed grantee of such Options).

Where any grant of Options to an independent non-executive Director or a substantial shareholder of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all options and awards granted under all Share Plans (excluding any options and awards lapsed in accordance with the terms of all Share Plans) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue (excluding any treasury shares of the Company) as at the date of such grant, such further grant of Options shall be subject to certain requirements as stipulated in the Plan rules (including separate approval of the Shareholders in a general meeting with such grantee and their associates and all core connected persons of the Company to abstain from voting).

Vesting Period:

The Board or the Administrator may subject to all applicable laws, rules and regulations determine vesting periods for vesting of the Options in its sole and absolute discretion. The vesting period of the Options shall not be less than twelve (12) months, save and except that Options to be granted to an Employee Participant may be subject to a vesting period of less than twelve (12) months (or no vesting period) in the following circumstances:

- (a) grants of "make-whole" Options to a new joiner to replace the Options he forfeited when leaving his/her previous employers;
- (b) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out-of-control event;
- (c) grants with performance-based vesting conditions in lieu of time-based vesting criteria;
- (d) grants that are made in batches during a year for administrative and compliance reasons. They may include Options that should have been granted earlier but had to wait for a subsequent batch. In such cases, the vesting periods may be shorter to reflect the time from which the Options would have been granted; and
- (e) grants with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of 12 months.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Exercise Period: The Board or the Administrator may in its sole and absolute discretion determine the Exercise Period of the Options, but in all circumstances the Exercise Period shall not be more than ten (10) years from the Grant Date.

Exercise Price: The Exercise Price of the Options shall be at least the highest of:

- (a) the closing price of the H Shares as stated in the Stock Exchange's daily quotations sheet on the Grant Date;
- (b) the average closing prices of the H Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) Business Days immediately preceding the Grant Date; and
- (c) the nominal value of the H Share.

MOVEMENT OF THE OPTIONS GRANTED

Details of movement of the Options granted under the H Share Option Plan during the six months ended June 30, 2025 were as follows:

Category of grantees	Outstanding as at January 1, 2025	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at June 30, 2025	Date of grant	Vesting period	Exercise period	Exercise Price ⁽³⁾ (HK\$)
Employees	-	3,550,000	-	-	-(1)	3,550,000	May 27, 2025	Till February 1, 2029 ⁽²⁾	Ten years from the date of grant	4.23 per H Share

Notes:

- (1) After the Reporting Period, 500,000 Options were lapsed on August 4, 2025 pursuant to the H Share Option Plan, as the grantee had ceased his employment with the Company.
- (2) These Options will be vested in four tranches as follows: 25% on each of February 1, 2026, February 1, 2027, February 1, 2028 and February 1, 2029. For details, please refer to the announcement of the Company dated May 27, 2025. For details of the performance targets, please refer to the Company's announcement dated May 27, 2025.
- (3) Representing the highest of (i) the closing price of the H Shares as stated in the Stock Exchange's daily quotations sheet on the grant date, being HK\$4.23; (ii) the average closing prices of the H Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the grant date, being HK\$4.226; and (iii) the nominal value of the H Share. Closing price of the H Shares immediately before the date of grant (i.e. May 26, 2025) is HK\$4.23 per H Share.

For details of the fair value of outstanding Options at the date of grant, please refer to Note 22 to the condensed consolidated financial statements.

CORPORATE GOVERNANCE AND OTHER INFORMATION

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The net proceeds received by the Company from the Global Offering and the partial exercise of the Over-allotment Option (after deducting the underwriting fees and related listing expenses) amounted to approximately RMB124.4 million, which has been fully unutilized as at June 30, 2025.

The net proceeds have been utilized in accordance with the purposes set out in the Prospectus. The table below sets out the planned applications of the net proceeds and actual usage as of the date of this interim report and any discrepancies in this table between the total and sums of amounts are due to rounding.

Use of Proceeds	Allocation of Net Proceeds (RMB in million)	Utilized Amount (as of June 30, 2025) (RMB in million)	Unutilized Amount (as of June 30, 2025) (RMB in million)	Expected Timeline for Full Utilization of the Unutilized Net Proceeds
For planned clinical trials, preparation for registration filings, and the planned commercial launch (including sales and marketing activities) of M701	80%	99.5	0	N/A ⁽¹⁾
For planned clinical trials of Y101D	12%	14.9	0	N/A ⁽²⁾
For working capital and general corporate purposes	8%	10.0	0	N/A ⁽³⁾
	100%	124.4	0	

Notes:

- (1) The net proceeds allocated for planned clinical trials, preparation for registration filings, and commercial launch of M701 were fully utilized in October 2024 in line with the previously disclosed timeline.
- (2) The net proceeds allocated for planned clinical trials of Y101D were fully utilized in January 2025.
- (3) The net proceeds allocated for working capital and general corporate purposes were fully utilized in July 2024 in line with the previously disclosed timeline.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

As at the end of the Reporting Period, the Company did not hold any treasury shares.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CONVERTIBLE BONDS

During the Reporting Period, the Group did not issue any convertible bonds.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted the principles and code provisions as set out in the CG Code contained in Appendix C1 to the Listing Rules.

During the Reporting Period, the Company has complied with the code provisions in the CG Code, except for code provision C.2.1 as explained below.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. Dr. Zhou Pengfei is the founder of the Group, the chairman of the Board and the chief executive officer of the Company who has been participating in the Group's business and overall strategic planning since its establishment. The Board believes that vesting the roles of both the chairperson and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of the chairperson of the Board and the chief executive officer of the Company at an appropriate time if necessary, taking into account the circumstances of the Group as a whole.

The Board is committed to achieving high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of Shareholders and to enhance corporate value and accountability. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code and also devised its own code of conduct regarding Directors' dealings in the Company's securities (the "**Code of Conduct**") on terms no less exacting than the Model Code to regulate all dealings by Directors, Supervisors and relevant employees who, because of such office or employment, are likely to possess inside information in relation to the Company or its securities.

Specific enquiry has been made to all the Directors and Supervisors, and the Directors (including Ms. Liang Qian who retired as a non-executive Director with effect from June 25, 2025) and Supervisors (including Mr. Sun Jumin who retired as a Supervisor with effect from June 25, 2025) have confirmed that they have complied with the Code of Conduct during the Reporting Period. No incident of non-compliance of the Model Code by the relevant employees was noted by the Company during the Reporting Period.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CHANGES IN INFORMATION OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE OF THE COMPANY

Save as disclosed above, there were no material changes in the Directors', Supervisors' and chief executive's information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules during the Reporting Period and as at the date of this interim report.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. The primary duties of the Audit Committee are to review and supervise our financial reporting process and internal control system, and provide advice and comments to the Board. The Audit Committee comprises three members, Ms. Fu Lili, Dr. Zhou Hongfeng and Dr. Deng Yuezhen, with Ms. Fu Lili (being our independent non-executive Director with the appropriate professional qualifications) as chairwoman of the Audit Committee.

The Audit Committee has considered and reviewed the unaudited interim financial information for the Reporting Period and the accounting principles and practices adopted by the Group as set out in this report, and has discussed with management on issues in relation to internal control, risk management and financial reporting. The Audit Committee is of the opinion that the unaudited interim financial information of the Group for the Reporting Period is in compliance with the relevant accounting standards, laws and regulations.

INTERIM DIVIDENDS

The Board does not recommend the payment of an interim dividend to the Shareholders for the Reporting Period.

By order of the Board

Wuhan YZY Biopharma Co., Ltd.

Dr. Zhou Pengfei

Chairman of the Board, Executive Director and Chief Executive Officer

Wuhan, PRC

September 16, 2025

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended June 30, 2025

	NOTES	Six months ended June 30,	
		2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Revenue	4	37,187	–
Cost of revenue		(29,518)	–
Gross profit		7,669	–
Other income	6	7,684	4,786
Other gains and losses	7	471	2,201
Research and development expenses		(60,186)	(70,290)
Administrative expenses		(12,088)	(13,064)
Finance costs	8	(2,384)	(2,029)
Loss before tax	9	(58,834)	(78,396)
Income tax expense	10	–	–
Loss for the period		(58,834)	(78,396)
Loss per share			
– Basic and diluted (RMB)	11	(0.30)	(0.40)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At June 30, 2025

	NOTES	At June 30, 2025 RMB'000 (unaudited)	At December 31, 2024 RMB'000 (audited)
Non-current Assets			
Property and equipment	13	35,079	37,039
Right-of-use assets	13	8,089	8,375
Investment properties		425	448
Value added tax recoverable		511	511
Prepayment for acquisition of property and equipment		228	135
		44,332	46,508
Current Assets			
Inventories	14	3,680	4,260
Trade and other receivables and prepayments	15	24,093	90,718
Value added tax recoverable		1,340	82
Cash and cash equivalents		166,182	126,275
		195,295	221,335
Current Liabilities			
Trade and other payables	16	56,204	49,378
Bank borrowings	17	101,770	75,820
Contract liabilities	18	14,218	20,591
Lease liabilities		275	362
Deferred income	19	490	490
Advance from transfer agreement	20	39,495	39,495
		212,452	186,136
Net Current (Liabilities) Assets		(17,157)	35,199
Total Assets Less Current Liabilities		27,175	81,707

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At June 30, 2025

	NOTES	At June 30, 2025 RMB'000 (unaudited)	At December 31, 2024 RMB'000 (audited)
Non-current Liabilities			
Bank borrowings	17	54,620	51,080
Lease liabilities		–	92
		54,620	51,172
Net (Liabilities) Assets		(27,445)	30,535
Capital and Reserves			
Share capital	21	193,849	193,849
Reserves		(221,294)	(163,314)
Total Equity		(27,445)	30,535

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended June 30, 2025

	Share capital RMB'000	Share premium RMB'000	Share- based payment reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At January 1, 2025 (audited)	193,849	345,009	2,064	(510,387)	30,535
Loss and total comprehensive expenses for the period (unaudited)	–	–	–	(58,834)	(58,834)
Recognition of equity-settled share-based payment (note 22) (unaudited)	–	–	854	–	854
At June 30, 2025 (unaudited)	193,849	345,009	2,918	(569,221)	(27,445)
At January 1, 2024 (audited)	193,849	345,009	1,584	(412,788)	127,654
Loss and total comprehensive expenses for the period (unaudited)	–	–	–	(78,396)	(78,396)
Recognition of equity-settled share-based payment (note 22) (unaudited)	–	–	331	–	331
At June 30, 2024 (unaudited)	193,849	345,009	1,915	(491,184)	49,589

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended June 30, 2025

	Six months ended June 30,	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	12,203	(58,173)
INVESTING ACTIVITIES		
Interest received from banks	502	2,161
Purchase of property and equipment	(211)	(942)
Refund of transfer agreement	–	(5,728)
Net cash from (used in) investing activities	291	(4,509)
FINANCING ACTIVITIES		
New bank borrowing raised	69,900	80,000
Repayment of bank borrowings	(40,410)	(50,000)
Payments of lease liabilities	(179)	(122)
Interest paid on borrowings	(2,377)	(2,026)
Interest paid on lease liabilities	(7)	(3)
Net cash from financing activities	26,927	27,849
Effect of foreign exchange rate changes	486	–
Net increase (decrease) in cash and cash equivalents	39,907	(34,833)
Cash and cash equivalents at the beginning of the period	126,275	196,684
Cash and cash equivalents at the end of the period	166,182	161,851

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2025

1. GENERAL INFORMATION

Wuhan YZY Biopharma Co., Ltd. (the “Company”) was established in the People’s Republic of China (the “PRC”) on July 8, 2010, as a limited liability company. On January 13, 2022, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC, with its name changed from Wuhan YZY Biopharma Limited Company (武漢友芝友生物製藥有限公司) to Wuhan YZY Biopharma Co., Ltd. (武漢友芝友生物製藥股份有限公司). The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited on September 25, 2023 (the “Listing”). The respective address of the registered office and the principal place of business is No. 666 Gaoxin Avenue, Wuhan East Lake New Technology Development District, Wuhan, Hubei Province, PRC.

The principal activities of the Company and its subsidiaries (the “Group”) are mainly committed to develop bispecific antibody (BsAb)-based targeted and immune-oncology therapies to address the significant unmet medical needs of patients with cancer and age-related ophthalmologic diseases.

The condensed consolidated financial statements for the six months ended June 30, 2025 are presented in Renminbi (“RMB”), which is also the functional currency of the Company and its subsidiaries.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 (“IAS 34”) “Interim Financial Reporting” issued by the International Accounting Standards Board (the “IASB”) as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange.

The condensed consolidated financial statements of the Group for the six months ended June 30, 2025 have been prepared on the assumption that the Group will continue as a going concern, which assumes that the Group will be able to meet its obligations and continue its operations for the coming twelve months notwithstanding the fact that as at June 30, 2025, the Group has net current liabilities of RMB17,157,000, net liabilities of RMB27,445,000 and the Group’s accumulated losses has increased to RMB569,221,000 after recognising RMB58,834,000 loss and total comprehensive expense attributable to owners of the Company for the six months ended 30 June, 2025. In view of these circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have the necessary liquid fund to finance its working capital and capital expenditure requirements for the next twelve months after June 30, 2025, which include, but not limited to, the following:

- (a) The Group had cash and cash equivalents of RMB166,182,000 as at June 30, 2025;
- (b) The directors of the Company are confident of them being able to be continuously renewed upon their respective expirations in the foreseeable future based on the Group’s past experience and good credit standing.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2025

3. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

Other than additional/change in accounting policies resulting from application of amendments to IFRS Accounting Standards and application of certain accounting policies which became relevant to the Group in the current interim period, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2025 are the same as those presented in the Group's annual consolidated financial statements for the year ended December 31, 2024.

Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to an IFRS Accounting Standard issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on January 1, 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IAS 21

Lack of Exchangeability

The application of the amendments to IFRS Accounting Standards in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

4. REVENUE

The Group derives its revenue from contracts with customers in relation to the transfer of goods and services over time and at a point in time, as follows:

	Six months ended June 30,	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Types of goods or services		
<i>Recognised at a point in time</i>		
License fee income	4,717	—
<i>Recognised over time</i>		
R&D service income	32,470	—
	37,187	—

In October 2024, the Group entered into a license and collaboration agreement with Chia Tai Tianqing Pharmaceutical Group Co. Ltd. (正大天晴藥業集團股份有限公司) ("CT Tianqing"), pursuant to which the Group granted to CT Tianqing an exclusive, sublicensable license to develop, register, manufacture and commercialize the Licensed Product within the Licensed Territory and the Licensed Field.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2025

4. REVENUE (CONTINUED)

The considerations for the license and collaboration agreement comprise fixed element (i.e. the first non-refundable upfront payment and payments to provision of research and development services) and variable elements (i.e. the second non-refundable upfront payment, development and sales milestone payments and sales-based royalties). The Group determined that the consideration relates to multiple distinct performance obligations which including the grant of a right to use the license to intellectual property rights (the "License"), provision of research and development services (the "R&D services") and option to additional license of intellectual property right.

License fee income

For the grant of a right to use the License, revenue is recognised at a point in time when the Group has granted the license to the customer and the customer obtains control on the usage of the license. During the six months ended June 30, 2025, the Group recognised a total revenue of RMB4,717,000 in relation to the grant of a right to use the license for the achievement of development milestone (six months ended June 30, 2024: Nil), and the remaining fixed transaction price is allocated to the performance obligation of provision of R&D services and option to additional license of intellectual property right as stated below.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group update the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

Notwithstanding the above criteria, the Group shall recognise revenue for a sales-based royalty promised in exchange for a license of IP only when (or as) the later of the following events occurs:

- the subsequent sale occurs; and
- the performance obligation to which some or all of the sales-based royalty has been allocated has been satisfied (or partially satisfied).

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2025

4. REVENUE (CONTINUED)

R&D services income

R&D services under contract with CT Tianqing is performance obligation which is capable of being distinct. Accordingly, the transaction price is allocated based on the relative stand-alone selling prices of the services.

Revenue is recognised over time as the Group does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date. For over time revenue recognition, the progress towards complete satisfaction of a performance obligation is measured based on input method, which is to recognize revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or services.

When another party is involved in providing R&D services to the customer, the Group determines whether the nature of its promise is a performance obligation to provide specified services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent). The Group concluded that the Group acts as the principal for provision of R&D services as it controls the specified services before it is transferred to the customer.

Contract liabilities represents the Group's obligation to R&D services to the customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Option to additional license of intellectual property right

The Group evaluated the non-refundable payments for option to additional license of intellectual property right to determine if the option represents a material right and is distinct from the other performance obligations identified in the arrangement. The Group determined that the option to additional license of intellectual property right is a material right and distinct. The Group defers the non-refundable payments allocated to the option as contract liability and will recognise revenue at a point in time, at the earlier of when the option is exercised or lapses unexercised.

5. SEGMENT INFORMATION

For the purpose of resource allocation and performance assessment, the Group's chief executive officer, being the chief operating decision maker ("CODM"), reviews the overall results and financial position of the Group as a whole and no further analysis of the single segment is presented.

Geographical information

The Group's operations and all of the Group's non-current assets are located in the PRC.

Information about the Group's revenue and non-current assets is presented based on the location of operations and the geographical location of the assets.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2025

5. SEGMENT INFORMATION (CONTINUED)

Geographical information (continued)

Revenue from external customer

	Six months ended June 30,	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
PRC	37,187	–

Non-current assets

	At June 30,	
	2025 RMB'000 (unaudited)	At December 31, 2024 RMB'000 (audited)
PRC	44,332	46,508

Information about the major customers

Revenue from customers of the corresponding periods contributing over 10% of the total revenue of the Group are as follows:

	Six months ended June 30,	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Customer A	37,187	–

6. OTHER INCOME

	Six months ended June 30,	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Government grants (note)	7,171	2,825
Bank interest income	502	1,950
Others	11	11
	7,684	4,786

Note: The amounts represent government grants received from various PRC government authorities as incentives for the Group's research and development activities. Some subsidies had certain conditions imposed by the respective PRC government authorities. The relevant conditions have been fully met upon recognition.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2025

7. OTHER GAINS AND LOSSES

	Six months ended June 30,	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Loss on disposal of property and equipment	(15)	–
Gain on termination of lease agreement	–	7
Foreign exchange gains	486	2,194
	471	2,201

8. FINANCE COSTS

	Six months ended June 30,	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Interest expenses on bank and other borrowings	2,377	2,026
Interest expenses on lease liabilities	7	3
	2,384	2,029

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2025

9. LOSS BEFORE TAX

Loss before tax for the period has been arrived at after charging the following items:

	Six months ended June 30,	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Loss before tax for the period has been arrived at after charging:		
Directors' and supervisors' emoluments	1,936	2,477
Other staff costs:		
– salaries and other allowances	10,927	10,895
– discretionary bonuses (note)	1,882	1,269
– retirement benefit scheme contributions	1,656	1,731
– share-based payments	854	331
Total staff costs	17,255	16,703
Depreciation of property and equipment	2,063	3,225
Depreciation of right-of-use assets	286	316
Depreciation of investment properties	22	22
Total depreciation	2,371	3,563
Cost of inventories recognized as an expense	5,032	5,062

Note: Discretionary bonuses are determined based on the duties and performances of the relevant individuals and the operating result of the Group.

10. INCOME TAX EXPENSE

	Six months ended June 30,	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Current PRC enterprise income tax	–	–

No provision for PRC income tax was made as the Company and its PRC subsidiaries incurred tax losses for both periods.

As at June 30, 2025, the Group has unrecognized tax losses of approximately RMB1,275,146,000 (December 31, 2024: RMB1,150,530,000). As at June 30, 2025, the Group has deductible temporary differences of approximately RMB35,823,000 (December 31, 2024: RMB28,860,000). No deferred tax asset has been recognized in respect of the tax losses or temporary differences due to the unpredictability of future profit streams.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2025

11. LOSS PER SHARE

The calculation of the basic loss per share attributable to the owners of the Company is based on the following data:

	Six months ended June 30,	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Loss		
Loss for the period attributable to owners of the Company for the purpose of calculating basic and diluted loss per share (RMB'000)	(58,834)	(78,396)
Number of shares ('000)		
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	193,849	193,849
Basic and diluted loss per share (RMB)	(0.30)	(0.40)

The computation of basic and diluted loss per share for the six months ended June 30, 2025 did not consider the Post-IPO Share Option Scheme as disclosed in note 22 since its inclusion would be anti-dilutive.

No adjustment has been made to the basic loss per share for the six months ended June 30, 2024 as there was no potential ordinary shares in issue for the six months ended June 30, 2024.

12. DIVIDENDS

No dividends were paid, declared or proposed during the interim period. The directors of the Company have determined that no dividend will be paid in respect of the interim period (six months ended June 30, 2024: Nil).

13. PROPERTY AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the current interim period, the Group disposed of certain equipment and furniture and fixture with an aggregate carrying amount of RMB15,000 (six months ended June 30, 2024: RMB7,000) resulting in a loss on disposal of RMB15,000 (six months ended June 30, 2024: RMB7,000).

In addition, during the current interim period, the Group incurred RMB118,000 (six months ended June 30, 2024: RMB826,000) for acquisitions of equipment and furniture and fixture.

As at June 30, 2025, the Group's lease liabilities of RMB275,000 (year ended December 31, 2024: RMB454,000) are recognised with related right-of-use assets of RMB331,000 (year ended December 31, 2024: RMB510,000).

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2025

14. INVENTORIES

	At June 30, 2025 RMB'000 (unaudited)	At December 31, 2024 RMB'000 (audited)
Materials for research and development project	3,680	4,260

15. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	At June 30, 2025 RMB'000 (unaudited)	At December 31, 2024 RMB'000 (audited)
Prepayments for research and development services (note)	11,657	32,090
Trade receivables from license and collaboration agreement	5,000	51,108
Receivables from transfer agreement (note 20)	6,752	6,752
Advance to staff	107	203
Others	577	565
	24,093	90,718

Note: Prepayments mainly include upfront fee paid for research and development services for the clinical and non-clinical study of drugs.

The following is an ageing analysis of trade receivables net of allowance for credit losses presented based on the revenue recognition dates:

	At June 30, 2025 RMB'000 (unaudited)	At December 31, 2024 RMB'000 (audited)
0-90 days	5,000	51,108

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2025

16. TRADE AND OTHER PAYABLES

	At 30 June, 2025 RMB'000 (unaudited)	At 31 December, 2024 RMB'000 (audited)
Trade payables for research and development expenses	3,712	6,516
Accrued research and development expenses	43,623	32,420
Other payables to government (note)	3,600	3,600
Accrued staff costs and benefits	3,917	5,183
Accrued audit fee	950	1,050
Other tax payables	308	470
Others	94	139
	56,204	49,378

Note: This amount was asset related government subsidy and attached with conditions that the construction of the buildings should be completed and approved by the respective PRC government authority before December 31, 2016. The Group has not fulfilled the conditions attached to this subsidy at December 31, 2024 and June 30, 2025. Therefore, the amount was repayable to the respective PRC government authority on demand.

The credit period on purchases of goods/services of the Group is 0 to 90 days.

The following is an ageing analysis of trade payables of the Group based on the invoice dates at the end of each reporting period:

	At June 30, 2025 RMB'000 (unaudited)	At December 31, 2024 RMB'000 (audited)
0-30 days	1,209	1,989
31-90 days	768	2,704
91-180 days	459	1,456
181-365 days	954	26
Over 365 days	322	341
	3,712	6,516

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2025

16. TRADE AND OTHER PAYABLES (CONTINUED)

Analysis of trade payables and other payables of the Group and the Company denominated in currencies other than the functional currency of relevant group entities is set out below:

	At June 30, 2025 RMB'000 (unaudited)	At December 31, 2024 RMB'000 (audited)
GBP	150	–
US\$	28	28
CHF	754	754
	932	782

17. BANK BORROWINGS

During the current interim period, the Group obtained new bank loans amounting to RMB69,900,000 (six months ended June 30, 2024: RMB80,000,000). The loans carry interest at fixed market rates ranging from 2.5% to 3.4% (six months ended June 30, 2024: 3.4% to 3.5%) per annum and are repayable within seven months to three years. The proceeds were used to finance the research and development activities.

New bank loans of RMB60,000,000 (six months ended June 30, 2024: RMB30,000,000) were unsecured, unguaranteed. New bank loans of RMB9,900,000 (six months ended June 30, 2024: Nil) were secured, unguaranteed, such loan were secured with the Group's patent rights of drug candidate.

18. CONTRACT LIABILITIES

	At June 30, 2025 RMB'000 (unaudited)	At December 31, 2024 RMB'000 (audited)
Contract liabilities		
– from license and collaboration agreement	14,218	20,591

The contract liabilities represent unrecognized received consideration (or an amount of consideration is due) in relation to the license and collaboration agreement, where there are still implied obligations to be provided by the Company as stipulated in the agreement.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2025

19. DEFERRED INCOME

	At June 30, 2025 RMB'000 (unaudited)	At December 31, 2024 RMB'000 (audited)
Subsidies related to research and development activities (note)	490	490

Note: Subsidies are in relation to research and development activities of the Group and the Company. The subsidies can be regarded as fully granted until certain conditions are fulfilled. As at December 31, 2024 and June 30, 2025, the relevant conditions have not been fully fulfilled and therefore the government subsidies were classified as deferred income. Such deferred income is categorized as current liabilities because the fulfilment date are reasonably estimated within one year.

20. ADVANCE FROM TRANSFER AGREEMENT

	At June 30, 2025 RMB'000 (unaudited)	At December 31, 2024 RMB'000 (audited)
Upfront fee received from transfer agreement	39,495	39,495

In July 2022, the Company entered into an agreement with an independent third party (the "Transferee") (the "Agreement") to transfer all of the rights and assets relating to one of its drug candidates (the "Transfer").

The Company is entitled to a fixed upfront fee amounting to USD5,000,000 for the Transfer and a fixed milestone fee amounting to USD1,000,000 when the Transferee get an approval for clinical trial of the drug candidate from the National Medical Products Administration of the People's Republic of China (the "NMPA"). On April 27, 2023, the Transferee received an approval for drug clinical trials from NMPA, and settled the milestone fee with the Company in June 2023. The Transferee settled the upfront fee and milestone fee in October 2022 and June 2023, respectively.

According to the Agreement, the upfront fee and the milestone fee will be required to refund upon the condition, which is not possible to predict the possibility of occurrence, and the upfront fee and the milestone fee were recognised as advance from transfer agreement and classified as current liabilities.

In April 2024, the Company entered into a supplemental agreement (the "Supplemental agreement") with the Transferee and a subsidiary of the Transferee. Pursuant to the Supplemental agreement, all rights and assets relating to the drug candidate in Mainland China, Hong Kong Special Administrative Region, Macao Special Administrative Region was transferred to the Transferee, while rights and assets relating to the drug candidate in other territories of the world was transferred to the subsidiary of the Transferee. In addition, the total amount of received upfront fee and milestone fee (collectively referred as the "Upfront Fee") was modified from USD6,000,000 to RMB39,495,000 (excluding Value added tax). The Upfront Fee amounting to RMB35,115,000 and RMB6,752,000 (including Value added tax) should be paid by the Transferee and the subsidiary of the Transferee respectively, since the Transferee already paid RMB40,843,000, the Company should refund RMB5,728,000 to the Transferee. In June 2024, the Company refunded RMB5,728,000 to the Transferee. In July 2025, the subsidiary of the Transferee settled the Upfront Fee of RMB6,752,000.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2025

21. SHARE CAPITAL

Share capital as at December 31, 2024 and June 30, 2025 represented the issued share capital of the Company.

Share capital

	Number of shares	Nominal value of shares RMB'000
Authorized and issued		
At December 31, 2024 (audited) and June 30, 2025 (unaudited)	193,849,200	193,849

22. SHARE-BASED PAYMENT TRANSACTIONS

RS plan under Caizhi I RS Scheme

The Company adopted equity incentive plan ("ESOP Plan") in order to provide incentives to employees and directors to promote the success of the business of the Group.

To implement the ESOP plan, the founders of the Company established an employee stock ownership platform, namely Caizhi in August 2015, to hold the Company's paid-in capital of RMB16,500,000, which was transferred from the founders. Upon exercise of the options, eligible employees and directors shall subscribe for partnership interest of Caizhi at a consideration price ranges from RMB0.8 to RMB6.36 for RMB1 registered capital and indirectly hold the equity interests of the Company. In August 2021, the Company terminated the ESOP Plan and all the share options granted. The share options which account for RMB3,285,000 of the Company's paid-in capital, have been exercised in Caizhi before termination.

As a replacement for the ESOP Plan, the Company has formulated restricted shares scheme ("Caizhi I RS Scheme"). To implement Caizhi I RS Scheme, another two employee stock ownership platforms, namely Nanjing Huiyou Jucai Enterprise Management Partnership (Limited Partnership) ("Huiyou Jucai") and Nanjing Huiyou Juzhi Enterprise Management Partnership (Limited Partnership) ("Huiyou Juzhi") were established in August 2021. On the date of establishment, Caizhi transferred the Company's paid-in capital of RMB8,375,000 and RMB4,840,000 to Huiyou Jucai and Huiyou Juzhi respectively, and the Company's paid-in capital of RMB3,285,000 were retained in Caizhi.

Under the Caizhi I RS Scheme, eligible employees and directors shall subscribe for partnership interest of Huiyou Jucai and Huiyou Juzhi at a consideration price ranges from RMB1.58 to RMB6.36 for RMB1 registered capital and indirectly hold the incentive shares of the Company.

The RS issued under Caizhi I RS Scheme have been vested upon issuance in August 2021.

From issue date to January 31, 2024, several granted employees terminated their employments with the Company and transferred the partnership interests of Huiyou Juzhi which representing 550,000 ordinary shares of the par value of RMB1 each in the share capital of the Company to Dr. Zhou Pengfei, the general partner of Huiyou Juzhi, at the original grant price.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2025

22. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

RS plan under Caizhi I RS Scheme (Continued)

In February 2024, 275,000 RSs in Huiyou Juzhi were granted to certain selected employees who make contribution to the development of the Company with the price of RMB6.36 each share, 25% of RSs granted are vested on each of the first, second, third and fourth anniversary of the grant date respectively.

The directors of the Group determined the fair values of the RSs at the grant date based on the market trading price of the share with reference to valuation reports carried out by AVISTA Valuation Advisory Limited ("AVISTA"), an independent qualified valuer. For the six months ended June 30, 2025, amount of RMB71,000 share-based payment expenses has been recognised by the Company (six months ended 30 June 2024: RMB108,000), related to the Caizhi I RS scheme.

RS plan under Caizhi II Enterprise Management

In August 2021, Mr. Yuan Qian and Mr. Zhou Hongfeng, two of the founders and investors who entered into investment agreements with the Company in December 2020 ("Series A investors") of the Company established an employee stock ownership platform, namely Nanjing Caizhi No. 2 Enterprise Management Partnership (Limited Partnership) ("Caizhi II") to hold the Company's paid-in capital of RMB11,418,000, to implement RS scheme ("Caizhi II RS Scheme").

Under the Caizhi II RS Scheme, eligible employees and directors shall subscribe for partnership interest of Caizhi II at a consideration of RMB6.36 for RMB1.00 registered capital and indirectly hold the incentive shares of the Company.

All restricted shares issued under Caizhi II RS Scheme have been vested upon issuance in August 2021.

From issue date to January 31, 2024, one granted employee terminated his employment with the Company and transferred the 575,000 RSs back to Caizhi II at the original grant price.

In February 2024, 575,000 RSs in Caizhi II were granted to certain selected employees who make contribution to the development of the Company with the price of RMB6.36 each share, 25% of RSs granted are vested on each of the first, second, third and fourth anniversary of the grant date respectively.

The directors of the Company determined the fair values of the RSs at the grant date based on the market trading price of the share with reference to valuation reports carried out by AVISTA. During the six months ended June 30, 2025, amount of RMB367,000 share-based payment expenses has been recognised by the Company (six months ended 30 June 2024: RMB223,000), related to the Caizhi II RS scheme.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2025

22. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

The post initial public offering share option scheme (the “Post-IPO Share Option Scheme”)

The Post-IPO Share Option Scheme was adopted pursuant to the written resolutions of the shareholders passed on June 27, 2024 to provide eligible persons with the opportunity to acquire proprietary interests in the Company and to encourage the eligible persons to work towards enhancing the value of the Company.

On May 27, 2025, the Company granted 3,550,000 options to four employees of the Group pursuant to the Post-IPO Share Option Scheme. The details of the Post-IPO Share Option Scheme are as follows:

Date of grant	Vesting period	Exercise period	Number of options to be vested	Fair value at grant date HK\$
May 27, 2025	May 27, 2025 ~February 1, 2026	February 2, 2026 ~ May 27, 2035	888,000	1,950,000
May 27, 2025	May 27, 2025 ~ February 1, 2027	February 2, 2027 ~ May 27, 2035	888,000	1,986,000
May 27, 2025	May 27, 2025 ~ February 1, 2028	February 2, 2028 ~ May 27, 2035	888,000	2,038,000
May 27, 2025	May 27, 2025 ~ February 1, 2029	February 2, 2029 ~ May 27, 2035	888,000	2,092,000

No option was exercised during the current interim period. The Group recognised the total expense of RMB416,000 during the six months ended June 30, 2025 in relation to Post-IPO Share Option granted by the Company (six months ended June 30, 2024: Nil).

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2025

22. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

Post-IPO Share Option Scheme (Continued)

The fair value of the Post-IPO Share Option was determined at the date of grant using the binomial option-pricing model. Option valuation model requires the input of highly subjective assumptions, including the option's expected life and the price volatility of the underlying shares, and changes in the subjective input assumptions can materially affect the fair value estimate of share options.

Stock price as at grant date	HK\$4.23
Exercise price	HK\$4.23
Expected volatility	47.46%
Expected life	10 years
Risk-free rate	3.09%
Expected dividend yield	—

The binomial option-pricing model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. Expected volatility was determined by using the historical volatility of comparable company's share prices with discounts for lack of marketability. Changes in variables and assumptions may result in changes in the fair value of the options.

As at June 30, 2025, the number of shares in respect of which options had been granted and remained outstanding under the Post-IPO Share Option Scheme was 3,550,000 (December 31, 2024: Nil).

23. CAPITAL COMMITMENT

	At June 30, 2025 RMB'000 (unaudited)	At December 31, 2024 RMB'000 (audited)
Capital expenditure contracted for but not provided in the condensed consolidated financial statements:		
– Property and equipment	21	18

24. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

There is no Group's financial assets and financial liabilities are measured at fair value at the six months ended of June 30, 2025 and the year ended December 31, 2024. The directors of the Company consider that the carrying amounts of the Group's financial assets and financial liabilities recorded at amortized cost in the condensed consolidated financial statements, however, approximate their fair values.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2025

25. RELATED PARTY BALANCES AND TRANSACTIONS

The Group has the following transactions and balances with the related parties during the period.

(a) Related party transactions

Purchase of research and development service from a related party:

	Six months ended June 30,	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
CSPC Zhongqi Pharmaceutical Technology (Shijiazhuang) Co., Ltd. * (石藥集團中奇製藥技術(石家莊)有限公司) ("CSPC Zhongqi")	–	41

(b) Related party balances

As at June 30, 2025 and December 31, 2024, the Group has no outstanding balances with related parties.

(c) Compensation of key management personnel

The remuneration of the directors of the Company and other members of key management of the Group during the period were as follows:

	Six months ended June 30,	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Salaries and other benefits	3,300	3,094
Discretionary bonuses	36	338
Retirement benefit scheme contributions	142	163
Share-based payments	354	194
	3,832	3,789

* English name is for identification purpose only.